

# The National Underwriter

## LIFE INSURANCE EDITION

FRIDAY, SEPTEMBER 19, 1930

SEP 22 1930

## NORTHWESTERN FACTS

In its exemplification of life insurance service to the public, The Northwestern Mutual Life Insurance Company entertains and employs ideas and methods which are distinctively its own.

The Northwestern has a complete coverage for all life insurance needs through the medium of simple contracts. As a matter of fact, The Northwestern issues but six forms of policies in all its transactions. It does nothing but a life insuring business, and it believes completely in the trust relationship of that business.

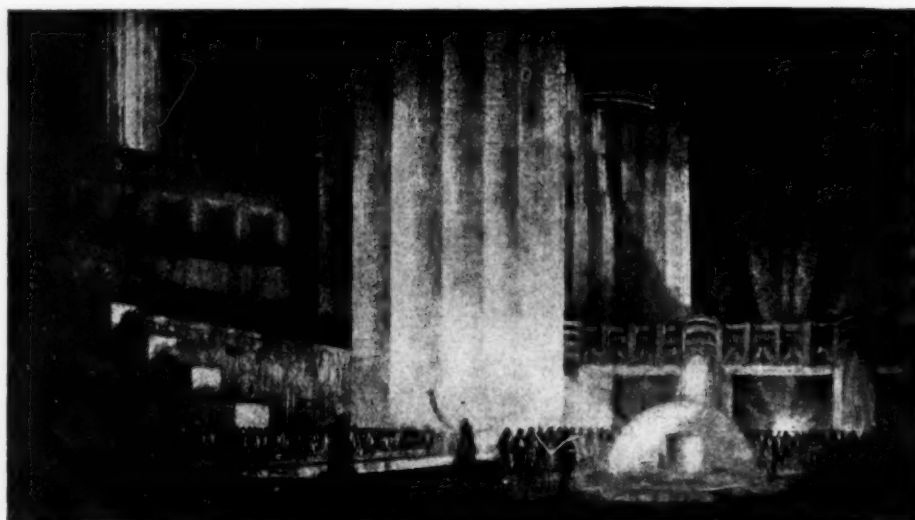
In providing for the needs of the life insuring public, The Northwestern believes in the education of its agents along incidental lines. It is not enough that its agents should know the fundamentals of life insurance, but The Northwestern considers it necessary that they know something of the technique of investment, the science of sociology, the art of using good language, and that they be generally educated in a manner to appeal to the intelligence of the preferred risks who constitute the membership of The Northwestern Mutual Life Insurance Company.

The Northwestern has not adopted the so-called disability annuity and double indemnity features of life insurance. It writes no group, payroll, salary deduction, or other wholesale and mass insurance. It believes that exact equality of obligation, benefit, and service to each policyholder is implied in the relationship between the policyholder and the Company, and it finds itself justified in its beliefs and methods of doing business by less than 7 per cent of lapse and by over 50 per cent of repeat orders.

LIFE INSURANCE IS A PROMINENT FACTOR IN  
PERSONAL THRIFT AND PROTECTION.

**THE NORTHWESTERN MUTUAL LIFE  
INSURANCE COMPANY**

**Milwaukee, Wisconsin**



From the design of Raymond Hood, New York Member of the Chicago World's Fair architectural commission, Hugh Ferriss, famous New York artist, gives us this pictorial representation of the type of the proposed exhibition groups to be located on the northerly island. This scene is a night time one, depicting a scientific lighting spectacle in the gardens adjoining the entrance of this group. » » »

In the background the buildings that house the indoor exhibits take on the forms of terraces and great fluted columns. » » » » »

## Spectacle

Glittering . . . dazzling . . . a city transformed into a fairyland of brilliance . . . Chicago in 1933 . . . a city of splendor . . . engineers and architects . . . artists and artisans . . . combined energies directed toward a definite goal . . . Chicago's second World's Fair . . . the nations of the world will be the welcome guests of a great city . . . a great city in her party dress . . . Chicago promises in her enthusiasm . . . and her promises are being backed with good old-fashioned hard work.

1933, in addition to being the 40th anniversary of the first Chicago World's Fair, will mark the 40th year of service of the Illinois Life, the first legal reserve life insurance company, now active, to be chartered by the state of Illinois. A strong progressive company, proud of its growth and proud of its city. » » » » »

# ILLINOIS LIFE INSURANCE CO.

ILLINOIS LIFE BUILDING

CHICAGO

1212 LAKE SHORE DRIVE

Raymond W. Stevens, President



# The National Underwriter

## LIFE INSURANCE EDITION

Thirty-Fourth Year No. 38

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, SEPTEMBER 19, 1930

\$3.00 Per Year, 15 Cents a Copy

### Entertainment for Gathering

American Life Convention to Offer Many Features to Ladies

### WEBB MAKES REPORT

Local Chicago Committee Announces Some of the Features for Annual Gathering

Walter E. Webb, executive vice-president National Life, U. S. A. of Chicago, who is general chairman of the local committee on arrangements for the meeting of the American Life Convention in Chicago, Sept. 29-Oct. 3, has completed the program for his part of the activities. Mr. Webb has done yeoman service in connection with the entertainment arrangements and deserves special praise. The golfers will play at the Olympia Fields in their regular tournament, Monday and Tuesday but many will arrive and play there Sunday. Some will remain at the club house during the days of the tournament. A golfers dinner will be held there Tuesday night although owing to the distance from Chicago it is not likely that very many except the golfers will be present.

#### Program for the Ladies

The annual banquet and dance will be held Thursday night. Mr. Webb has arranged a very attractive program for the women attending the convention. He has a special committee of women who will be in charge of this feature. It consists of Mrs. C. M. Cartwright, chairman; Mrs. Walter H. Eckert, Mrs. S. W. Goss, Mrs. H. W. Dingman, Mrs. E. S. Ashbrook and Miss Marian Hamilton. Transportation will be available for groups of women who desire to make a visit to any special point of the city Monday and Tuesday under the auspices of the women's committee. On Tuesday at 3 o'clock the women will be taken to the celebrated Planetarium where a special lecture will be given by Prof. Philip Fox, well known astronomer, who is the superintendent of the famous institution. In the evening Tuesday there will be an informal dinner for the women.

#### Wednesday's Program

On Wednesday there will be a luncheon for the ladies and in the afternoon visits will be made to the Art Institute, Aquarium, Field Museum and some other institutions of prominence. The ladies will be given a theatre party in the evening. On Thursday morning the ladies will be taken in buses for a ride along the north shore. The women's committee will point out features of interest as the journey proceeds. Stops will be made at the home of Ambassador Dawes in Evanston, the Burnham Terrace, the home of the late Daniel H. Burnham, well known architect and

### Survey Discloses Business Men Use Airplanes Often

#### HOME LIFE CONDUCTS STUDY

Leigh Cruess, Underwriter, Gives Interesting Figures—Company Issues Two Broadened Clauses

NEW YORK, Sept. 18.—Seventy-five percent of American business men have traveled by airplane at least once for either business or pleasure, and the percentage is rapidly increasing, especially in the last six months, according to a survey just completed by Leigh Cruess, underwriting head of the Home Life of this city.

Mr. Cruess cites recent figures of the Aeronautical Chamber of Commerce, which give passenger traffic on 29 major air lines as 133,000 in the first six months of 1930.

#### Applications Are Studied

Study of applications for insurance in his company gave Mr. Cruess the basis for figuring the percentage. Many business men are using planes regularly in their work. Others refer to "not more than twice a month" as common experience.

The importance of this matter from an insurance standpoint has resulted in close study. Mr. Cruess recently made a tour of the country, visiting airports and studying aviation at first hand. He authorized insurance for eight aviation officials after studying the nature of their work. To keep in close touch with aviation and to facilitate the handling of such risks, the company has a licensed pilot, W. C. Demuth, as assistant underwriter.

#### Adopts Two Broad Clauses

The company has adopted two new clauses for those who travel by airplane but want insurance at standard rates. One is an exemption clause covering air travel. The other allows ten trips a year to be taken without additional charge or any exclusion. For those taking more than ten trips a year but who do not wish to use the exemption clause, there is a schedule of small additional payments.

head of the old Chicago World's Fair plan; Northwestern University campus, the Frances Willard Home and the Shakespeare garden near the Northwestern gymnasium. Luncheon will be served at the Vista del Lago club on the lake shore.

During the convention days the ladies golf tournament will be held on the miniature golf course known as the "High-Ho Golf Club" on the roof of the Stevens hotel. The ladies will be well looked after by the committee and there will be a special reception desk assigned to the committee.

#### Illinois Companies Committee

The committee of Illinois companies in charge of the arrangements consists of the following:

Robert D. Lay, Walter E. Webb, F. C. Crittenden and Gen. R. Holdhusen, National Life, U. S. A.; R. Y. Rowe, American Bankers Life; H. B. Hill and

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### Life Management Program at Chicago Is Announced

#### DISCUSSIONAL CONFERENCES

Executives in Office End of Business to Discuss Efficient Methods in Meeting Oct. 9-11

Program of the Chicago annual meeting of the Life Office Management Association, to be held at the Edgewater Beach hotel Oct. 9-11, is announced this week by Secretary F. L. Rowland, of the Lincoln National.

Afternoons will be devoted largely to discussion conferences, which will be informal and it is hoped will be participated in by all attending.

The first session will be opened by President Adolph S. Rydgren, vice-president Continental American of Delaware, with his formal address. Prof. Frederick G. Nichols of Harvard University will speak on "Planning for the Future Responsibilities of Clerical Workers." A committee report on "Personnel Administration" will be read by Chairman H. L. Rhoades, assistant to the third vice-president Metropolitan Life.

#### Thursday Afternoon Program

Thursday afternoon W. H. Leffingwell of New York will speak on "Training of Clerical Supervisors," followed by two committee reports, one by George W. Skilton, Connecticut General Life, on "Premium Accounting and Related Activities," and the other by Chairman F. R. Gale, Continental American, on "Compilation and Use of Persistency Records by Life Companies." A discussion conference will cover the subjects of "Personnel Administration," "Premium Accounting and Related Activities" and "Compilation and Use of Persistency Records by Life Companies." An informal banquet will be held Thursday evening.

#### Subjects for Friday

Dr. Felix E. Held, Ohio State University, Columbus, will talk on "Profit or Loss in Written Business Communications" Friday morning. Committee reports will be given by R. Wells Leib, Franklin Life, on "Punched Card Accounting in the Life Insurance Office," and Paul F. Bourscheidt, Peoria Life, on "Premium Notices and Receipts and Company Practices Pertaining Thereto." A business session will be held from 11:15 to lunch.

Friday afternoon B. F. Dvorak, management consultant, Chicago, will start the session with a talk on "Principles of Accounting as a Guide to Home Office Planning." Chairman R. C. Neuen-dorffer, secretary Guardian Life of New York, will give a committee report on "Centralization vs. Decentralization in Home Office Organizations." Beginning at 2:45 the discussion conferences on the same subjects taken up Thursday afternoon will be continued.

#### Plan for Saturday Session

Franklin B. Mead, executive vice-president Lincoln National, will start the Saturday morning session with a talk on "A Few Aspects of Management, Subjective and Objective, from the Point of View of the Life Insurance

### Brigham Talks On Investments

Vermont Congressman Makes Illuminating Observations on Life Insurance Trends

### ASSUMES PROPHET ROLE

Predicts That Companies Will Buy More Preferred Stocks in the Next Decade

DETROIT, Sept. 18.—In an address before the mortgage bankers' convention here, Congressman E. S. Brigham of Vermont, a member of the House committee on agriculture, recently appointed by the National Life of Vermont as chairman of its committee on finance, predicted that life companies would continue to invest heavily in farm mortgages for the next 10 years.

The subject of Mr. Brigham's address was "Life Insurance Investments in the Next Decade." He predicted that life companies would invest in preferred stocks to a greater extent than they have previously done, but that high grade bonds and real estate mortgages will continue to be their principal investment. Mr. Brigham did not think there would be much increase in the investments by the companies in common stocks.

#### Will Make Heavy Demand

From 1921 to 1928 the assets of life companies practically doubled. Mr. Brigham believes, if this growth continues, companies in the next 10 years will demand all the high grade, well secured farm and city mortgages that are offered.

Two billion dollars, he said, was paid by the people of the United States to legal reserve companies in 1929 for insurance—a sum which must be invested in the safest possible securities. In 40 companies, having over 80 percent of the assets of legal reserve companies on June 30, 1930, the total assets were nearly thirty and a half billions. Over six billions were invested in farms and other real estate and nearly as much in government, state and municipal bonds, stocks and public utilities. Holdings in farm loans decreased 1.6 percent this year, other mortgages increased 9.7 percent and bonds and stocks increased 8 percent.

Mr. Brigham believes that most

(CONTINUED ON PAGE 22)

Executive, Present and To Be." R. F. Tull, Fidelity Mutual, will report on "Standard Telegraph Codes."

#### Program for Final Session

"Accounting Methods in the Life Insurance Office," led by D. N. Warters, Bankers Life, will be discussed by A. E. Pequegnat, Mutual Life of Canada; Ira S. Parker, Great Northern, and J. Russell Sykes, Fidelity Mutual.

## Selling Plans Discussed by Aetna General Agents

Selling plans were discussed at the Aetna Life's general agents' conference at Swampscott, Mass., last week. Elmer Abbey, San Antonio, and J. R. Smith, Houston, outlined income settlement options and told how and to whom they should be sold. Mr. Smith pointed out that selling life income is without doubt the most enlightening method of presenting insurance to the public today in that it more logically appeals to that part of people's objectives which insurance can serve. A. E. Mielenz, Milwaukee, said it was difficult for a general agent to select sales methods and plans for his agents because of the volume of highly recommended material on the market.

### Reveals a Man's Needs

J. N. Adams, assistant general agent at Philadelphia, asked in his talk: "Why should we deviate from the beaten path that has proven effective in the past and sell life insurance through the estate analysis plan?" He developed a most able picture of conditions today pointing out the fact that we are fabulously prosperous, that we are faced with rapidly changing conditions and that we must expect to have to change our methods occasionally. "Estate analysis," he went on, "is a logical change from the old method of selling life insurance in that it turns the life insurance salesman's attention directly not to the selfish objective of selling a policy but to revealing actually a man's needs and objectives and fitting insurance into his plans where it belongs."

### Covers Business Insurance

E. M. Deane, a Grand Rapids, Mich., agent and a specialist in business insurance, covered in a very thorough way the various types of business insurance. In his explanation of corporation insurance used for the purpose of indemnifying the man-value of important executives, he stated that some 15 years ago a number of the largest businesses in the country got together to consider the extent to which the loss of an executive affected an organization. They concluded that there was a definite depreciation in business in connection with the loss of an executive and such depreciation averaged about three years. Where the executive had an assistant to fill his place the period was one year. This, Mr. Deane pointed out, is the loss that business insurance has designed to compensate for and is just as important

to the business as it is fire or casualty insurance.

Mr. Deane went into detail, explaining how the value of an executive's brains can be determined. He described the use of life insurance in arranging for the elimination of the officer's or stockholder's interest in the corporation at his death with full justice and fairness to those officers or stockholders of the corporation. He pointed out that authorities in trust work have determined the loss on stock with unusual circumstances is depreciated at death because of the necessity of immediate liquidation, from 10 to 40 percent. He said further the insurance plan will obviate such depreciation.

One of the outstanding talks of the session was given by P. D. Sleeper, Washington, D. C., general agent. He placed special emphasis on the importance of instilling pride into the agency force. He asked what makes men do well and answered, first, proper inspiration, second, the feeling of playing a game which can be enjoyed, and third, pride. Pride was set up as the keynote of his talk and also the quality to be sought in developing an enthusiastic organization. "An agent," he said, "should have pride to do well for the agency, for the team, referring to his agency force as a whole, to do well for the company, and most important of all, to do well for himself." He said that men are more inclined to sell for pride than for profit and that it is extremely effective in welding an organization together and in getting the most out of the men if the general agent directs his men "to show up well for themselves."

### Spoils Good Prospects

One of his most important suggestions was that a general agent should rid the organization of poor agents. He suggests that the question be asked, "Is an agent who pays for less than \$100,000 per year a help or a hindrance to an agency?" He said that his decision was that such a man is a hindrance to the production of the good men in the agency. "A poor producer," he said, "is always talking of hard times; he takes a lot of the time of the general agent which could much more profitably be devoted to a good man; he brings down the level of the representation of the office; he spoils many good prospects who might later be called upon by a good man; he brings the agency into bad repute by not knowing his business thoroughly and makes it harder for good men to sell life insurance; and finally he does not make enough money to live properly or to dress well." He stated that he had become definitely convinced of these facts and had decided to let all poor men go, with the result that he markedly increased his production from the good men who remained and added a zest to his organization that up to that time had been impossible to produce.

### Competitive Complex

Dewey R. Mason, assistant superintendent of agencies, spoke on the "Competitive Complex" and through several very pertinent illustrations he explained his belief that the present stumbling blocks to the life insurance salesman were principally those of competing with other company's policy contracts. It was his theme that an agent should select his own battle ground in selling prospects. "If I must enter into competition," he said, "I am going to choose my own battle field and fight with my own weapons. I have a policy contract with advantages which no competition can discount. Why should I waste my time knocking down another agent's squads of tin soldiers when I have a regiment of my own to parade across my prospect's desk?"

## Veteran Honored



WILLIAM A. ALEXANDER

A notable tribute was paid by the field force of the Equitable Life of New York at its convention at French Lick, Ind., this week to Secretary William A. Alexander of that company, who has just completed 60 years in its service.

## Advertising Men's Group Life Insurance Meeting

The life insurance group program in connection with the Insurance Advertising Conference meeting at Milwaukee for Sept. 29 includes addresses by John Howie Wright, editor of "Postage and the Mail Bag" on "Life Insurance Advertising from the Direct Mail Viewpoint"; Vice-President Walter T. Shepard, Lincoln National Life, "Life Insurance Advertising from the Viewpoint of the Agency Executive"; P. H. Young of the Life Insurance Sales Research Bureau on "Life Insurance Advertising from the Viewpoint of the Agent"; R. C. Cahn, business research expert, Chicago "Tribune," on "Life Insurance Advertising from the Viewpoint of the Publisher."

In the round table discussion, K. H. Mathus, Connecticut Mutual, will speak on "House Organs." B. M. Mills of the Bankers Life of Iowa will discuss "Direct Mail." Arthur H. Reddall of the Equitable Life of New York will have as his subject, "Cooperation of the Agency Department." E. P. Hermann, Lincoln National Life, will talk on "Promoting Contests and Trips"; R. C. Budlong, Northwestern National Life, will have "Trade Journal Advertising." Bart Leiper of the Pilot Life at one session will discuss "Convention Stunts That Have Clicked."

## Claim Men in Meeting

Douglas E. C. Moore, vice-president and assistant counsel of the Pacific Mutual Life, will be the principal speaker at the regional convention of that company's claim men to be held in Chicago, Sept. 22-24. D. C. MacEwen, vice-president of the accident department; G. H. Gregg, assistant secretary; Robert R. Harrold, general claims representative; J. W. McLeod, superintendent life maturity department; J. Beach Rhoades, claim adjuster, and Ray G. Scofield also will attend from the home office. This meeting will bring together heads of the company's claim zones from New York City to Colorado.

## Koch to Handle Advertising

The New England Mutual Life has appointed Herman Koch, Jr., as associate of Willis H. Hazard in the department of publicity and advertising. Mr. Koch will have charge of the advertising for the company.

Mr. Koch graduated from Harvard in 1921. He worked on Boston newspapers and later had advertising experience in New York City and with Stone & Webster and the New England Telephone & Telegraph Co.

## Claim Men Hold Ottawa Meeting

George B. Smith of Loyal Protective Succeeds Earl as President

## FINLAYSON IS SPEAKER

Large Attendance and Lively Interest Is Recorded at Annual Gathering of Association

### NEW OFFICERS ELECTED

President—George B. Smith, secretary Loyal Protective, Boston.  
Vice-president—A. V. Riecke, Minnesota Commercial Men's, Minneapolis.  
Secretary—Louis L. Graham, Business Men's Assurance, Kansas City (elected).  
Treasurer—F. Leroy Templeman, Maryland Casualty, Boston (reelected).  
Librarian—Bayard P. Holmes, Holmes Bureau, New York (reelected).  
New executive committeemen elected—Chairman, Thomas F. Hickey, Metropolitan Life, New York; past president, E. Laurence Earl and R. A. Gandy, United Casualty; continuing members, H. S. Don Carlos, Travelers, Hartford; P. J. O'Connor, St. Louis; E. E. Elliott, Omaha.

OTTAWA, CAN., Sept. 18.—The annual convention of the International Claim Association at the Chateau Laurier here was attended by nearly 250 persons. The sessions were presided over by President E. Laurence Earl of the Sun Life of Canada, Montreal.

The presidential address by Mr. Earl summarized achievements of the association and contained expressions of gratitude to the other officers and members of the executive committee for their assistance during the year.

### Report on Medical Blanks

Following an address of welcome by R. J. Manion, Canadian minister of railways and canals, President Earl called for reports of standing committees. The executive committee, of which W. L. Morrow, Aetna Life, is chairman, added to its routine report the suggestion that a committee be appointed to look into the matter of standard medical examiner's blanks, as well as the request of physicians of some states for fees in filling out such blanks.

The program committee's report this year, which was read by its chairman, Harlan S. Don Carlos of the Travelers, was particularly important because of a recommendation that in handling future convention, a "flyer" or brief summary of papers scheduled for delivery, be sent beforehand to members so they might be prepared to take a more active part in discussing papers than heretofore.

### Draw Attention to Bills

The legal committee, headed by E. A. Jones of the Fidelity & Casualty, called attention to two pending bills of importance, the Norris bill in the senate which would do away with the right to remove an action from a state to federal court on the ground of diversity of citizenship, and second, the Parks bill, somewhat similar in nature, introduced in the house, which would raise the amount in controversy from over \$3,000 to over \$10,000 before a case could be removed to federal court.

One of the outstanding addresses was given by Dr. H. W. Dingman, vice-president Continental Assurance of Chicago, "Comments on Claim Service," presented in some detail in THE NATIONAL UNDERWRITER, issues of Sept. 12 and 13.

Delegates were afforded the pleasure (CONTINUED ON PAGE 13)

## Survey Shows Who Are Taking Policies

Who bought the big policies during the past month? A look at the analysis compiled by the Lincoln National Life showing men who purchased life insurance in amounts of \$10,000 or over will tell. First, leading the monthly list, are physicians and surgeons, 21 of whom are found. Next come retail dealers, with 18 buyers. Insurance men are next with 13, and bank and financial officials next with 11. Builders and contractors and real estate agents each had six. Others leading in the field of big policy buyers are accountants, managers, dairy farmers, florists, gardeners, commercial travelers, automobile dealers, army officers, proprietors of stock yards, ice cream dealers, college professors, mechanical engineers, editors, men in public service, postmasters, civil service employees, and skilled mechanics and foremen.



## Grave Problems Face Industrial

President Kendall Cites Dangers at Chicago Meeting of Conference

### MUST BROADEN SCOPE

Companies Writing Weekly Premium Accident and Health Consider Present Trend in Business

Problems greater and graver than any which member-companies of the Industrial Insurers Conference have been forced to meet in the past since the organization came into being at Mobile, Ala., 21 years ago, face industrial companies, President George R. Kendall, Washington Fidelity National, told the conference at its Chicago three-day meeting this week.

Economic changes are now much more rapid than formerly. He expressed the opinion that generally the member-companies have not progressed enough to keep in step with the times. He said most of the companies have adopted one policy form and pressed its sale, regardless of whether or not it filled real needs and supplied the wants of the insuring public at large.

#### Accident and Health Group

President Kendall stressed that the chief purpose of the conference is to promote industrial health and accident business. "I am sure that during the past two or three years many of us have been thinking of what the future has in store for our business," he said. "Up to the present time we have all exerted our efforts more or less along the same lines and in the same general direction. Great as our progress has been in the past, I am convinced that the surface has merely been scratched.

"In my humble opinion, if the companies belonging to this conference do not broaden the scope of our business, the industrial life companies will beat us to it. We are face to face with setting our houses in order.

#### Lines Have Been Expanded

"During the past years practically all of the companies comprising this conference have added to their industrial H. & A. business other lines of policies such as industrial and ordinary life, and monthly premium and commercial health and accident. While this has been successful to a marked degree, yet all are still primarily industrial insurance companies; industrial premiums continue to be their principal source of income.

"The term 'industrial' as applied to the business of insurance has in the past been misused by some; monthly premium business has been referred to as industrial business. Since the organization, over 50 years ago, of the first weekly premium life insurance company in the country, the term 'industrial' insurance has been applied, and correctly so, to policies issued on the weekly payment premium plan. At least it has been so used by a large majority of the insurance fraternity.

#### Issue Large Proportion

"The business of the company members of this conference constitutes a large proportion of the total industrial health and accident business transacted in this country, if not in the entire world. When we stop to consider what has been accomplished during the past

(CONTINUED ON PAGE 13)

## Slight Gain for Year Despite Drop in August Sales

NEW YORK, Sept. 18.—While new business last month showed a decline of 8 percent in comparison with August, 1929, the total amount of new business for the first eight months of 1930 is 0.3 percent of last year, according to the Life Presidents.

New ordinary business written by member companies in August amounted to \$622,075,000 against \$698,196,000 in 1929, a decrease of 10.9 percent. New industrial insurance showed a 6.7 percent increase, with \$233,745,000 against \$219,144,000 in 1929. New group insurance dropped 26.6 percent—\$73,188,000 against \$99,773,000 for last year. The aggregate of all classes for August, 1930 was \$929,008,000 against \$1,017,113,000 for August, 1929—a decrease of 8.7 percent.

For the first eight months of this year, new ordinary amounted to \$6,006,598,000 as compared with \$5,939,988,000 for the corresponding period of last year—a gain of 1.1 percent. New industrial was \$1,959,643,000 against \$1,953,371,000—an increase of 0.3 percent. New group was \$712,260,000 against \$758,143,000—a decrease of 6.2 percent. Total of all classes: \$8,678,501,000 against \$8,651,501,000, an increase of 0.3 percent.

A comparison of the monthly totals for 1929 and 1930 follows:

	1929	1930	% Gain
Jan. ....	\$1,024,478,000	\$ 995,195,000	-2.9
Feb. ....	972,928,000	1,003,478,000	3.1
March ...	1,169,881,000	1,222,184,000	4.5
April ...	1,122,303,000	1,194,174,000	6.4
May ...	1,152,026,000	1,097,740,000	-4.7
June ...	1,098,983,000	1,144,432,000	4.1
July ...	1,093,789,000	1,092,290,000	-.1
Aug. ...	1,017,113,000	929,008,000	-8.7
	\$8,651,501,000	\$8,678,501,000	.3

## Commissioners to Meet at the Hotel Roosevelt

The National Convention of Insurance Commissioners at its winter meeting in New York Dec. 9-10 will for the first time leave the Hotel Astor. The meeting will be held at the Roosevelt. The Association of Life Insurance Presidents will hold its meeting at the Astor as usual Thursday and Friday of that week. Owing to the commissioners meeting at the Roosevelt it is likely that the other organizations and committees that meet in New York at that time will also go to the Roosevelt as the insurance commissioners' meeting is the center about which many of the activities revolve.

## Fidelity Mutual Agents in Great Persistency Record

The Fidelity Mutual Life of Philadelphia announces an exceptional record for persistency among certain individual producers. Nine agents, whose business in force is greater than \$100,000 have experienced a year without a lapse.

Karl Collings of the Philadelphia agency was awarded the president's trophy by virtue of having \$618,100 of business exposed without lapse.

The president's trophy is awarded each year to the class A members who qualified in class A the previous club year, and whose business shows the highest ratio of persistency. Mr. Collings won this trophy last year also.

Sidney Rice, Indianapolis, won the Heron trophy, which is awarded each year to the class A underwriter who qualified as class A the previous year, and whose cash premium settlements showed the highest percentage of increase over the previous year. Second was J. B. Campbell, St. Louis, who enjoyed an increase of 113.3.

# Commissioners Tour in the New England States

By C. M. CARTWRIGHT

The tour of the National Convention of Insurance Commissioners following its meeting in Hartford throughout the New England states under the auspices of the Hartford insurance companies was a trip deluxe. Those who went on this journey got a comprehensive idea of New England and at its end were enthusiastic boosters for that notable section of the country. The Hartford companies furnished transportation facilities for the entire trip to Boston. The Massachusetts companies provided transportation from there to Providence where the memorable journey ended. The cavalcade, consisting of seven large touring buses, left Hartford Wednesday morning, there being 165 people in the party including the drivers and other attendants. The transportation committee accompanied the party throughout, it consisting of F. J. Flynn, Travelers, chairman; G. F. Ennis, A. L. Johnson, G. A. Jenne, John Tuttle, and C. B. Foster, all of the Travelers; J. M. Parker, Jr., Aetna Casualty, and H. M. Gorton, Hartford chamber of commerce. The committee also had Dr. T. H. Denne of the Travelers accompany the tourists in case any medical aid was needed. It also provided a publicity manager. In addition to the seven drivers there was a supervisor of transportation and a mechanic. The cavalcade naturally attracted much attention along the way.

#### BANQUET AT MONTPELIER

There were some high spots in the journey. On the first evening the entire party were guests of the National Life of Montpelier, Vt., being received in its handsome home office building where President Fred A. Howland and his associates acted as hosts. All hands were entertained at a banquet, Mr. Howland presiding over the post prandial part of the program. Gov. John E. Weeks was present to give the address of welcome. R. C. Clark, Vermont insurance commissioner, supplemented the welcome address. The new president of the National Convention of Insurance Commissioners, C. C. Wysong of Indiana, made his maiden speech after being elected to his high office at Hartford. The retiring president, Col. H. P. Dunham, who is a native of Vermont, spoke briefly. There were present in addition to Commissioner Clark four ex-Vermont commissioners, all participating in the dinner, they being L. A. Kelly, Joseph G. Brown, who acted as one of the official hosts, E. H. Deavitt and Mr. Howland himself.

#### Lunch at Long Trail Lodge

The party stopped at Long Trail Lodge on Mendon mountain for lunch. This is in the heart of the Green Mountains. The party was two hours behind time and did not reach the lodge until 4 p. m. At the banquet Commissioner Dunham referred to Vermont as a "tight state." Commissioner Wysong said that no state could be called "tight" which gave a turkey and wheat cake dinner at 4 p. m. and a roast duck dinner at 8 p. m. Montpelier could not accommodate all the guests at its hotel so some were lodged at Barre, Waterbury and Plainfield.

#### ENTERTAINED BY FALVEY

The party found a most impressive, picturesque and delightful spot in the home of President Thomas J. Falvey of the Massachusetts Bonding at Swampscott. President Falvey has a large mansion facing the ocean with spacious grounds, beautifully adorned with flowers and shrubs. This, by the way, was the summer White House for one season when Calvin Coolidge was presi-

dent. Mr. Coolidge and his family occupied this house for a summer and it is now known as "Capitol Hill" off Little's Point. President Falvey had a tent spread on his lawn where refreshments were served. He met the guests as they walked up the hill to his home at the front door, James A. Beha, general manager of the National Bureau of Casualty & Surety Underwriters, being the official introducer. Mrs. Falvey as hostess was most cordial and charming.

#### Flanked by Company Officials

Wallace Falvey, the eldest son, who is vice-president of the Massachusetts Bonding in charge of the metropolitan office in New York, where 25 percent of its business is produced, came up to assist his parents in entertaining. Secretary Donald Falvey, the younger son, also was a household host. The Massachusetts Bonding officials consisting of Vice-Presidents G. W. Berry, J. J. Flynn, C. G. Fitzgerald and Spencer Welton assisted Mr. and Mrs. Falvey in receiving the guests. The Falveys made most hospitable hosts. Their home is wonderful in its setting and environment. It is most admirably appointed. The stop there will be a very fragrant memory in the minds of the visitors.

#### PARTY AT SWAMPSCOTT

The next entertainment was furnished by the Massachusetts companies at the New Ocean House at Swampscott, just a stone's throw away from the Falvey residence. Here the party were guests at a sumptuous banquet given by the Boston companies. E. C. Stone, United States manager of the Employers Liability, was chairman. He went to Poland Springs, Me., to meet the crowd. M. L. Brown, Massachusetts insurance commissioner, acted as toastmaster at the banquet. W. L. Crocker, president John Hancock Mutual Life, gave the welcome. Talks were made by Commissioners Wysong and Dunham. The address of the evening was given by Herbert Parker, former attorney general, chairman Massachusetts tercentenary committee, and one of the famed orators of the state. He dwelt especially on contribution that New England gave the nation. The party left the next morning as guests of the Boston companies, going first to Lexington where Mr. Stone gave a talk as the party assembled on the old ground where the first shot of the Revolution was fired. From there the guests were taken to Concord and the story of that memorable

(CONTINUED ON PAGE 12)

## Mutual Benefit Given Stay in Disability Clause Suit

ALBANY, Sept. 18.—By mutual consent and stipulation of attorneys, the stay granted to the Mutual Benefit Life of New Jersey allowing it to continue to write its life policies containing the disability clause to which the New York superintendent of insurance objects, had been continued until such time as the main case is argued in the appellate division. This stay was to have come up for argument before Supreme Court Justice Ellis J. Staley in special term last week. At the office of the attorney-general, it was stated that it was not believed that the main case would be reached by the appellate division at its October term, which means that the Mutual Benefit can continue to write the policy it is now issuing for several weeks to come.



## Harris to Address the Agency Section at Chicago

### AMERICAN CONVENTION PLAN

Program for the Legal Department of the Organization Has Been Completed

George H. Harris, supervisor of the field service bureau of the Sun Life of Canada, will be one of the principal speakers before the agency section of the American Life Convention at the Stevens hotel, Chicago, on Oct. 3. Walter E. Webb, vice-president of the National Life, U. S. A., chairman of the agency section, has announced. Mr. Harris will speak on "Business Building—A Human Problem."

The complete program for the legal section meeting to be held on Sept. 29-30 has been released by Walter H. Eckert, general counsel Federal Life, Chicago, chairman of the section. The opening session of the attorneys will be called to order by Chairman Eckert at 10 a.m. on Sept. 29.

Following an address of welcome by William P. Sidley, president of the Chicago Bar Association, Mr. Eckert will speak.

#### Program of Meeting

The balance of the program follows:

"Review of Recent Decisions," Byron K. Elliott, general counsel American Life Convention.

"Surrender of Policy by Assignee," Fred H. Aldrich, general counsel American Life of Detroit, Mich.

At noon the annual legal section luncheon will be held. William M. Sparks, judge of the United States Circuit Court of Appeals for the seventh circuit, will be the guest of honor.

#### Afternoon Session, Sept. 29

"Accidental Death; What Is Sufficient Proof?" Allen May, general counsel Missouri State Life.

"Accidental Means and Disease," Alexander W. Parker, counsel Atlantic Life, Richmond, Va.

"Legal Effect Upon Right of Contest by Death of Insured During Contestable Period," Clyde C. Shoemaker, general counsel Great Republic Life, Los Angeles.

#### Tuesday, Sept. 30

"Lawyer, Commissioner, Executive," R. B. Cousins, Jr., president San Jacinto Life, Beaumont, Texas.

"Authority of Soliciting Agent to Bind Company," E. R. Slavan, counsel Bank Savings Life, Topeka.

#### Afternoon Session, Sept. 30

"Legislative and Departmental Action and Proposals," Ralph H. Kastner, attorney, American Life Convention, St. Louis, Mo.

Round table discussion. Subject: "Practical Problems in Handling Life Insurance Trusts." Will be led by Burton P. Sears, general counsel National Life.

#### Special Railroad Rates

Railroads have agreed to extend special rates for this gathering provided that sufficient number comply with the requirements.

The railroads will give a special one and one-half fare for the round-trip on the certificate plan providing that 150 persons attending the sessions bring the necessary certificates from the railroad agents who sold them their tickets.

### Indianapolis Life Celebration

The Indianapolis Life is preparing to celebrate its silver anniversary, with appropriate fervor, Oct. 6-10 at the home office, which marks the completion of 25 years since its organization by President Frank P. Manly and his associates. A program is being prepared which includes business sessions and entertainment. There will also be held in conjunction with this event the annual meetings of the Counsellors' Club and the Quarter Million Club. It is expected that at least 300 persons will attend some of the gatherings.

## Benefits of Salary Plan Are Set Forth by Dobbs

### BETTER BUSINESS RESULTS

Southern Company Official Favors Paid Agency Force in Talk Before Industrial Insurers

The always interesting subject of salaried agents vs. commission men was discussed at the meeting of the Industrial Insurers Conference in Chicago this week by H. T. Dobbs, vice-president Industrial Life & Health, Atlanta, Ga. Mr. Dobbs frankly inclines toward the salary system, which is not strange because his company successfully employs this plan.

He explained, however, that conditions in the southern territory in which his company operates seem to make this a more desirable method and enables the company to retain the services of good men over long periods and to give better rewards for outstanding and consistent service. Because of the fact that the Industrial Life & Health is peculiarly situated, he expressed the hope that this contribution would not act as a deterrent toward the most free discussion of the value of the times and commission contract by its advocates.

#### Confidence Is Vital Factor

Mr. Dobbs stressed that the agent being in direct contact with the policyholder is in the last analysis the man who makes a company's reputation, and in industrial insurance confidence first in agent and then in company is the vital factor in writing and retaining valuable business. Turnover in agency personnel, he said, has an especially baleful effect in industrial life and health insurance. Constant or even frequent change in agents destroys confidence of industrial policyholders in methods and even stability of a company, no matter how strong financially.

Mr. Dobbs said his company has many negro policyholders in Georgia, Alabama, Florida and South Carolina who have been served for a long period by the same agents and have acquired faith in them and in the company. The result is that the turnover in agency force is as small as it can consistently be made.

"Advocates of the times and the commission plan will tell you that their plan is an incentive to the ambition of the hustler to make large earnings," Mr. Dobbs said. "They will tell you that you must push the men on by such methods. On the other hand I think that you will concede that such a mode of payment may tend to the acquisition of much undesirable business and a consequent rise in the claim ratio, or at least a sizable lapse ratio when the hustler hustles on to another company to repeat the process."

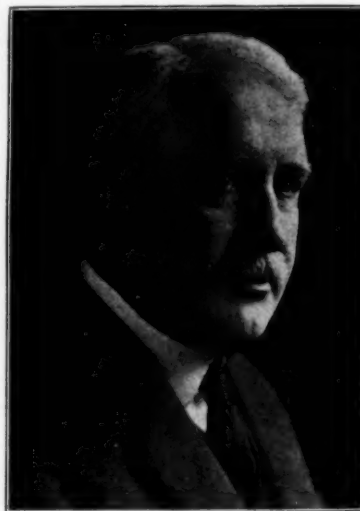
#### Salary Plan Advantages

He said from the agent's standpoint the salary system gives greater incentive to writing desirable business only and does not leave him in the position of having his income drop out from under him or at least decreased materially in times of financial depression. The southern temperament with which his company has to deal in his agency force, though conscientious in its work as a rule, does not lend itself kindly to the constant pushing characteristic of business methods in some other sections of the country, he said.

### First Year Death Claims

The New York Life finds that 46 first year death claims were paid in July, aggregating \$158,598.86 against premiums of \$4,365.29. All these people were insured less than one year. Seventeen of these claims carried double indemnity payments amounting to \$45,340 for which the extra premiums were \$64.34.

## Was Chief Host



FRED A. HOWLAND, Montpelier, Vt.  
President National Life

President Fred A. Howland of the National Life of Montpelier and his associate officers were hosts to the insurance commissioners and their party which spent Wednesday night of last week in Montpelier and adjacent towns. The National Life gave a banquet to the visitors.

## Laird Discusses Trends at Hartford Gathering

The strong trend of the insuring public toward low premium policies for temporary protection and the turning away from the savings bank feature in life insurance because the process seems too slow and uninteresting was emphasized by J. M. Laird, vice-president of the Connecticut General Life, at Connecticut Insurance Day at Hartford. Because the life policy does not appeal to the eye like an automobile or to the ear like a radio Mr. Laird said the great problem of the business today is not to improve the product but to secure greater distribution.

Mr. Laird says such "sobering facts" as collapse of the Florida land boom, of the bull stock market and agricultural difficulties simply prove once more that while many individuals have shown handsome appreciation on well chosen securities it is difficult for a person to select an investment or even a group of investments which will be good 10 or 20 years in the future. This merely emphasizes the value of a life insurance policy with investment feature which is not only depression proof but prosperity proof, he says.

#### Believe in Systematic Thrift

Mr. Laird recognizes that part of one's income may properly be placed in more speculative securities, but he says life insurance men feel that the average man should build his future estate not merely on quick profits derived from speculation but largely on benefits to be secured from systematic thrift and accumulation over a long period.

He says low priced policies have a distinct value but the most lasting satisfaction comes from permanent plans which guarantee a definite estate to family at death and substantial single payments of life income to insured in later life.

### Miss Griswold Resigns

Miss Clara R. Griswold, for the past eight years manager of the sales planning department of the Pan-American Life and editor of the "Pan-American Review," has resigned to enter civil service work.

## Equitable Field Force Pays Tribute to W. A. Alexander

### GATHER AT FRENCH LICK, IND.

President Parkinson and Other Officers Address Agents—103 Star Salesmen Are Honored

Secretary William A. Alexander of the Equitable Life of New York, who has completed 60 years' active service with the society, was given unusual tribute at the company's national educational conference being held at French Lick, Ind., this week. William M. Duff, president Edward A. Woods Company, Pittsburgh, presented to Mr. Alexander on behalf of the field force a bound volume containing reports of the business written in his honor last April while he was vacationing in Italy.

#### Honor 103 Star Producers

The 103 leading producers who had been nominated by their respective general agents as having conformed most closely, during the drive to the high ideals for which Secretary Alexander always has stood, were given large scrolls on which were reproduced a portrait of Mr. Alexander and smaller individual pictures of the 103 star salesmen.

About 1,000 representatives are attending the conference, having qualified by writing \$250,000 or more of new business in the last year. Those from the Eastern and Greater New York departments met Sunday, Monday and Tuesday, while representatives from the Central, Southern and Western departments started their sessions Thursday and will continue through Saturday. The managerial staff session was held Wednesday. The theme of the meeting is "Knowledge."

#### President Parkinson Speaks

Speakers included President Thomas I. Parkinson, Secretary Alexander, Vice-president Frank L. Jones, and Vice-president Albert G. Borden. Commissioner Wysong of Indiana, newly elected president of the National Convention of Insurance Commissioners, was the only guest speaker. Other home office executives who spoke were Vice-president William J. Graham, R. D. Murphy, associate actuary and second vice-president, and W. W. Klingman, second vice-president. Field representatives occupied a large part of the program.

President Parkinson spoke Monday on "The Inspiration of Knowledge," Mr. Alexander on "Wasted Knowledge," Vice-president Jones on "Knowledge (in Action) Is Power" and Vice-president Borden on "The Test of Knowledge." "Babe" Ruth, baseball home run king, sent a message on why he has invested in a substantial Equitable retirement annuity, and the Byrd South Pole expedition movies were shown.

### Famous Columnist to Speak

"A Lion in a Den of Daniels," is the title of the address to be given at the National Life Underwriters Association convention in Toronto by M. E. Tracy, columnist of the Scripps-Howard newspapers.

### McCauley Named Supervisor

The Abraham Lincoln Life of Springfield, Ill., has appointed Howard J. McCauley, former general agent at Akron, O., as home office supervisor. This is the consummation of a desire held by home office officials for some time to bring into the agency department an expert life salesman with a record as a substantial producer. Mr. McCauley between March 1 and Aug. 1 this year personally paid for 47 applications for \$165,250, and in a former connection for five years maintained personal production of better than \$250,000 paid a year.

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# When You Attend the AMERICAN LIFE CONVENTION



at  
**CHICAGO**

September 29—October 3

stay at the

Official Headquarters

# THE STEVENS

The World's Largest Hotel

3000 Outside Rooms

MICHIGAN BOULEVARD, 7TH TO 8TH STREET  
CHICAGO

3000 Private Baths

## FIXED-PRICE MEALS

**JAPANESE LUNCH ROOM**  
Breakfast 45c Luncheon 65c  
Dinner \$1.00

**COLCHESTER GRILL and  
OAK ROOMS**  
Breakfast 60c and 75c Luncheon 85c  
Dinner \$1.50 Sunday Dinner \$2.00

**MAIN DINING ROOM**  
Luncheon \$1.25 Dinner \$2.00 and \$3.00  
Dancing Every Evening from 6 to 10  
P. M.—No Cover Charge

While Stopping at THE STEVENS  
visit our

**High-Ho Golf Club**  
18-hole course on the Roof

**THE STEVENS**  
Michigan Boulevard  
Seventh to Eighth Streets, Chicago

Men of prominence in the financial and life insurance world will speak at the American Life Convention at The Stevens Hotel in Chicago, Sept. 29-30. It will be well worth while for every company executive to attend.

The Stevens Hotel, the official convention headquarters, extends its warm hospitality to the visitors and offers them its incomparable services, facilities, luxurious surroundings and unequalled values during their stay. The Stevens is the world's largest hotel and has 3,000 beautifully furnished outside rooms, each with a private bath, circulating ice water, ample closet room and bedhead reading lamp.

Come to the American Life Convention and enjoy the world renowned hospitality of The Stevens.

## THE STEVENS ROOM RATES

Number of Rooms	Single Rate	Double Rate
186	\$3.00	\$4.50
831	3.50	5.00
462	4.00	6.00
511	5.00	7.00
40	6.00	8.00
50	7.00	9.00
20	8.00	10.00

700 twin-bedded rooms for 1 or 2 persons, per day \$6.00, \$7.00, \$8.00, \$9.00, \$10.00 and \$15.00.

100 Large Sample Display Rooms at prices ranging from \$6.00 to \$30.00 per day.

100 Parlors at \$9.00, \$10.00, \$15.00 per day.

Parlor Suites from \$12.00 to \$40.00 per day.

3000 beautifully furnished outside rooms, each with private bath, circulating ice water, ample closet space.

**MAKE YOUR RESERVATIONS NOW**





**A**N ARCHITECTURAL LANDMARK OF DIGNITY AND BEAUTY, this building is primarily an ideal workshop. The Company's 3,800 employees enjoy the maximum of good air, sunlight and quiet possible in the intense life of Manhattan, as well as 20th Century utilities and conveniences that multiply human efficiency in the day's work.

**NEW YORK LIFE INSURANCE COMPANY**

MADISON SQUARE, NEW YORK, N. Y.

**DARWIN P. KINGSLEY . . . . President**

## Union Central Convention Draws Attendance of 600

### THREE THEMES IN PROGRAM

Speakers Discuss the Agent, the Company and the Policyholders at Cincinnati Sessions

CINCINNATI, Sept. 18.—Six hundred agents are expected to attend the annual convention of the Union Central Life at the home office in Cincinnati commencing today. Headquarters will be at the Hotel Sinton. It is expected that some interesting news announcements will be made during the meeting. While the Union Central is not quite up to last year in new business, several agencies have shown notable gains, including the home office general agency and Boston. President Jesse R. Clark, Jr., will preside at the opening session this morning while Vice-president George L. Williams will handle the meeting this afternoon. Two more sessions will be held on Friday and the final session on Saturday morning. There will be the usual entertainment features and a program made up entirely of Union Central speakers.

#### Built Around Three Themes

The convention will be built about the three themes, "the agent, the company, the policyholders." John L. Shuff of Cincinnati, one of the company's most famous characters, will welcome the attending agents. The first day's speeches, devoted to "the company," will be opened with an address by President Jesse R. Clark, Jr. Other speakers the first day will be Robert M. Green, treasurer; Herman A. Zischke, assistant superintendent of agencies; Dr. William Muhlberg, medical director; Vice-president Charles Hommeyer.

The second day devoted to "the agent" will include the following speakers: A. Rushton Allen, manager at Philadelphia; Edward S. Brashears, general agent at Washington, D. C.; Russell Wilson, mayor of Cincinnati; Joseph P. Devine, general manager of the home office agency.

Among the speakers the third day will be Assistant Superintendent of Agencies Wendell F. Hanselman; Harry O. Steel, general agent at Omaha; E. D. Shepherd, manager at Houston; Charles A. Blatchley of New Rochelle, N. Y.; Maurice H. Bronner of Chicago, and Superintendent of Agencies Jerome Clark.

Social events on the program include several luncheons to be given at the Gibson hotel and an evening party which will be held at the Cincinnati Zoo clubhouse.

## Kentucky Central's Growth

Company Has Just Been Examined by Three Departments—Has Had Substantial Success

The Kentucky Central Life & Accident has just been examined by the Kentucky, Indiana and Ohio departments and the report will be published shortly. It will no doubt be favorable to the company as the Kentucky Central is one of the strongest companies in its field. It was organized originally as an assessment company by three men, C. S. Drake, now president of the Empire Life & Accident at Indianapolis, and J. N. McEachern, and I. M. Sheffield, president and secretary respectively of the Industrial Life & Health of Atlanta, one of the largest sick benefit and accident companies in the south.

#### Real Builders of the Company

F. J. Walker, president of the Kentucky Central, and his associate, T. O. West, secretary, are its real builders. In the home office at Anchorage, Ky., out-

## Industrial Conference Has Annual Meeting in Chicago

### OFFICERS TO BE REELECTED

Bank Economist in Address at First Session Says Return to Business Normalcy Will Be Slow

The Industrial Insurers Conference opened its annual meeting at the Edgewater Beach hotel, Chicago, Wednesday with about 50 members in attendance. Indications at the opening session were that all of the present officers of the conference would be reelected, including George R. Kendall, Washington Fidelity National, president; A. B. Langley, Carolina Life, vice-president; C. W. Munford, Home Security, secretary; E. T. Burr, Durham Life, chairman executive committee, and all of the members of that committee.

#### Bank Economist Speaks

Aside from the annual address of President Kendall, which is reviewed elsewhere in this issue, the high point of the first session was the address of Harland H. Allen, economist of the Foreman-State National Bank, Chicago, on "Business Conditions in Their Relation to the Investment Market."

He said that September was the first month since the market crash that justified any feeling of confidence. The commodity price situation is for the first time such as to enable the nation to get its feet on something like solid ground. The improvement is slight but encouraging.

#### Recovery Will Be Slow

He declared that a seasonal rise is due but that the recovery will be slow, extending probably over another year. He said, however, that when prosperity does return it will be in a better balanced form. The employment and agricultural situations are the most serious at this time. Farm income, which also represents the farmers' purchasing power has been reduced 12 percent.

The Liberty National of Birmingham was elected to membership in the conference.

side of Louisville, which was the old home office of the Citizens National Life of Louisville, now the Inter-Southern Life there is a picture taken in 1899 at Savannah, Ga., of F. J. Walker, surrounded by his staff, when he was acting superintendent of the Industrial Aid Association. This was one of the earliest of the industrial companies in the south and has long since gone out of business. While in the south Mr. Walker got in touch with Messrs McEachern and Sheffield, came north to Kentucky, and reorganized the Kentucky Central Life & Accident, putting it on a stock basis. Originally an Indiana man Mr. Walker brought from Georgia with him T. O. West, who has been his able associate and right hand man in the management and development of the company.

#### Parent of Many Companies

Several companies have been developed out of the Kentucky Central, among them the Empire Life & Accident at Indianapolis, whose president is Charles S. Drake, one of the founders of the Kentucky Central; the Missouri Insurance Company of St. Louis, of which J. A. Walker, brother of the president of the Kentucky Central, is president. Closely associated with the Kentucky Central in the early days was the Industrial Health and Life of Atlanta, from which in turn a number of southern companies have been started. W. L. Mitchell, who organized the Atlas Life & Accident of Campbellsville, Ky., recently consolidated with the Republic Life & Accident of Louisville, is an old Kentucky Central man.



## Life & Casualty History Given on 27th Birthday

NASHVILLE, TENN., Sept. 18.—Friday of last week was the 27th birthday of the Life & Casualty of Nashville, one of the largest and strongest of the combination industrial sick benefit and accident and industrial life and ordinary companies. President A. M. Burton has had an interesting career, expressing the spirit of the new south. At the age of 17 he came to Nashville from Hartsville, Tenn. At first he worked at any sort of job, at day labor. But he had an uncle who was a field inspector of the Metropolitan Life and who procured a job for him as an agent of the Metropolitan Life in Nashville. This uncle, after years of service with the Life & Casualty is now on its retired list.

### Went to Montgomery, Ala.

After a time Mr. Burton went to Montgomery, Ala., where he represented the Southern Mutual Aid, now the Southern Life & Health, and was transferred back to Tennessee, in charge of the Nashville district. Then the Southern Mutual had difficulties with the Tennessee insurance department and lost its license in the state. This left considerable business and an agency plant in the state uncared for. Young Burton saw his opportunity. But he had no money. The best he could do was to scrape together \$1,000. But he interested Mrs. Helena Johnson to the extent of \$4,000 in the little new company he proposed starting to take over the Southern business and induced Guilford Dudley, a local capitalist, to back him for the remaining \$20,000.

He launched the Life & Casualty of Tennessee with \$25,000 capital stock. Mrs. Johnson became secretary but the work became too heavy for a woman and she is now head of the policy department. Around the home office she is known as "Mother" Johnson. Mr. Dudley became vice-president and still holds that position. He is the "silent" stockholder in the company. Mr. Burton since 1903 has built around him a complete home office organization and a numerous and effective field force.

The story of the Life & Casualty except for details is not dissimilar from that of a number of other leading southern industrial companies, which are now becoming important factors in ordinary also and are bringing the south more and more into the picture as the home of life and disability companies of financial strength and sound and capable agency organization. It is such men as Mr. Burton who have been through the mill themselves from agents up, and who understand the difficulties of launching a successful company, who are giving the various sections of the country their own insurance companies.

### Dechert Forms Law Firm

Robert Dechert, vice-president and counsel of the Penn Mutual Life since 1927, has resigned and in association with William Curtis Bok will form the firm of Dechert & Bok, engaging in the general practice of the law. Mr. Bok, who has been made a trustee of the Penn Mutual, is a son of Edward Bok and a grandson of Cyrus H. K. Curtis.

In the future Mr. Dechert will be counsel of the company in active supervisory charge of the legal department.

Herbert Adam, assistant counsel, has been appointed associate counsel. He has been connected with the Penn Mutual since 1914. He is a graduate of Temple University on whose faculty he has been during the past three years as professor of insurance law.

George Wharton Pepper, former senator, is general counsel, a position he has held for many years.

Thomas S. Gates has been elected a trustee of the Penn Mutual. He was formerly a member of the banking firm of Drexel & Co. and is now president of the University of Pennsylvania.

## Minnesota Mutual Promotions



HAROLD J. CUMMINGS



O. J. LACY

## Minnesota Mutual Makes Cummings Vice-president

The advancement of Harold J. Cummings from second vice-president to be vice-president and superintendent of agencies of the Minnesota Mutual will be greeted with great enthusiasm by the Minnesota Mutual field force. Mr. Cummings is a young man of great energy and he enjoys the allegiance of every Minnesota Mutual producer. Agents say that invariably a visit from Mr. Cummings, with the sales idea and enthusiasm which he imparts, means greater premiums.

Mr. Cummings, together with A. Howard Blanton, manager eastern agencies, is visiting in the southeast until Oct. 1, when they will spend 10 days in Texas.

The Minnesota Mutual field force, however, will regret that they will lose much of the former close association with Vice-President O. J. Lacy, who has been transferred from the agency department to the investment department, but they will rejoice that their friend, Mr. Lacy, has received this recognition from his company. Mr. Lacy's experience is needed in investments.

## The Minnesota Mutual is now a \$200,000,000 Company

1930 New Business 150% of same period 1929

7th in percentage of growth for 1929 among Companies over 100 Million in force

44 years to reach first 100 million—6 years to reach second 100 million

*Our Sales Plans Are Working  
May We Tell You About Them?*

## The MINNESOTA MUTUAL LIFE INSURANCE COMPANY

Saint Paul

FIFTIETH  
1880  
1930  
ANNIVERSARY

# Schooling Raises Pay

Statistics show that, on the average, high school graduates earn \$1.00 for every 72 cents earned by boys with merely elementary education.



©1930 M. L. I. Co.

"Dad, I want to get a job. Lots of rich men didn't go to school any longer than I have."

"My boy, you have heard about only the rare exceptions. You don't know how many millions of men have been barely able to keep body and soul together because they were only half educated and unable to compete with better trained men. You'd better go back to school."

**M**AYBE it is the boy next door — perhaps it is your own boy—who is eager, restless and ambitious, who would like to quit school and go to work. He is looking forward to the day when he will have more spending money and more independence.

He has read of self-made men who had but little schooling. He sees no reason why he could not do equally well.

Tell him that if he had a chance to talk to one of the big, self-made men of whom he has heard, he would probably be told, "While I was earning a place for myself in the business world I studied at night trying to keep up mentally with my old school friends — even those who went through college."

Before he is permitted to leave school it would be a great thing if he could talk to some man or woman in charge of employment for a big company. He would learn that the better educated boys and girls are given preference, from the outset, over those who quit school too soon.

In almost every kind of work, whether manual, mechanical, business or professional, higher wages and salaries, in the overwhelming majority of cases, are earned by the best educated and best trained.

Apart from the greater enjoyment of books, arts and science gained through education — and just as a matter of cold dollars and cents—education pays the best dividends.

## METROPOLITAN LIFE INSURANCE COMPANY

FREDERICK H. ECKER, PRESIDENT ONE MADISON AVE., NEW YORK, N.Y.

## LIFE COMPANY CONVENTIONS

### Quarter Million Club Meets

**D. T. MacKinnon New President of Provident Mutual's Honor Organization—Gather at Swampscott**

The Provident Mutual Quarter Million Club held its annual convention at Swampscott, Mass. About 300 agents, guests and home office officials attended. The theme of the convention was "stepping up to higher levels."

The meeting was called by Charles Selig, New York, last year's club president. Club officers were installed by James H. Cowles, assistant manager of agencies. They are: Donald T. MacKinnon, Detroit, president; Aubrey M. Davis, Los Angeles, C. Vivian Anderson, Cincinnati, Isaac P. Miller, Philadelphia, and John L. Simons of Wilkes Barre, vice-presidents; and W. Laurence Mason, secretary-treasurer.

After the members were introduced by Walter Cross and J. Stinson Scott, greetings were extended by Paul W. Schenck, president of the General Agents Association, who called attention to the fact that life insurance is the only business charging the same rates for its service as before the business crash, and selling just as much as it ever did.

M. Albert Linton, vice-president, discussed the problems of mortality as bearing on selection, and announced various sales plans for the coming year. Edward W. Marshall, actuary, told of the recent international meeting of actuaries in Stockholm. One of the most inspiring messages came from F. Phelps Todd, supervisor, whose pertinent suggestions for increasing business were very well received. "Too many of us spend too much time experimenting, and not enough in selling the way we know how. Do what you know you can do," Mr. Todd said.

At the banquet a handsome loving cup was presented to Donald T. MacKinnon, club president, by Vice-president Linton. The cup is awarded each year to the agent having the highest paid-for production. Since Mr. MacKinnon has won the cup for three years, it becomes his permanent possession.

The main address on the program was that of Sir Charles Bartholomew, president of the Home Life of Edinburgh, Scotland. He dwelt largely with the question of the dole system as worked out in England and Scotland.

The concluding session featured Dr. Charles J. Rockwell, Chicago educator, who spoke on corporation insurance.

Franklin C. Morss, manager of agencies, summed up the convention in his inimitable way, and Vice-president Linton gave the concluding talk with an announcement of the 1931 convention, which will be held at Bigwin Inn, Ontario.

### Will Have Guest Speakers

**Security Mutual Life of Nebraska Will Have Its Agency Convention This Month**

The agency convention of the Security Mutual Life of Lincoln, Neb., will be held Sept. 26-27. President E. B. Stephenson says the volume of business has increased practically 30 percent this year. It is now \$1,000,000 over last year in new business. Outside of the officials and field men of the company, there will be two guest speakers. George B. Graves, general agent Massachusetts Mutual Life, will give two talks, one on "The Value of Life Insurance," and the other on "Life Insurance and How to Sell It." V. J. Harrold, Indiana state manager of the Lincoln National Life, will give two talks, one on "Keeping Faith," and the other on "Building Business."

### Agents Confer at Estes Park

**Connecticut Mutual Representative West of the Mississippi Stage Practical Sales Demonstrations**

Connecticut Mutual representatives from California, Oregon, Washington, Colorado, Oklahoma, Minnesota, Nebraska, Kansas, Iowa and Missouri held a three day conference at Estes Park, Colo.

The conference was opened by H. M. Holderness, superintendent of agencies and the newly elected vice-president Peter M. Fraser. The session swung onto a series of seven practical sales demonstrations of actual cases carried out on a stage equipped with all of the usual fixtures of a modern office. No detail was omitted, not even the use of the telephone or secretarial service which is available to the high grade executive prospects to which the demonstrations were made. Thorough preparation on the part of seven leading salesmen and their prospects created in all a dramatic effect which few men have equal opportunity, under similar circumstances, to witness. The selling process was thoroughly organized and visualized in each case.

Sales demonstrations were given on "Retirement Income" by E. C. Andersen and Raymond W. Simpkins, home office agency assistants; on "Readjustment Funds" by J. C. Pielen and Bratter of St. Paul; and on "Program Selling" by W. W. Peterson and Robert E. Carter of Oklahoma City.

### Stress Conservation

"Conservation" was thoroughly discussed under the leadership of Assistant Secretary Leslie R. Martin, including such important topics as selection of prospects, selling for a particular purpose, delivery of the policy, servicing policyholders, and loans. A demonstration on "Reselling the Policyholder" was given by Edward C. Andersen, agency assistant, and Harold N. Chandler, secretary.

Sales demonstrations on the last day were given on "Estate Selling" by William C. Carr and George L. Stewart of Nashville; "Wife's Income" by E. C. Andersen and Raymond W. Simpkins, agency assistants; and on "Stock Retirement" by Barney Nudelman, S. L. Morton, general agent, and Jerome K. Barker of St. Louis.

Announcement was made of the 80th anniversary educational program which will be held in New London and Hartford June 9-12, 1931. No arrangements have as yet been made for the details of this conference.

### Plan Three B. M. A. Meetings

**Managers Gather at Kansas City Sept. 19-20 Followed by "All Stars" Sept. 22-23**

The Business Men's Assurance is holding its annual managers' convention. "All Star" agents' meeting and homecoming in Kansas City, Mo., Sept. 19-20. At the managers' meeting Sept. 19-20 recruiting, field schools, training courses and circularization will be the four major subjects discussed. E. C. House is president of the managers' club, A. W. Watwood, vice-president, and C. W. Rogers, secretary.

The "All Star" agents meet Sept. 22-23. President W. T. Grant will congratulate the members of the organization. "Why Conservation Is Vital to the Salesman" will be discussed by C. C. Robinson of the "Insurance Salesman." W. J. Pierce, president of the "All Stars," will preside and also give a talk: "Business Is Good." President House of the managers' club will speak on "This Complicated Age." Vice-President



## Man Wanted in Illinois and Iowa

Can you "shake the bushes" with small-town agents and get business? If so, we have a job for you.

What we want is a man who can go into the small towns, find and teach reliable and intelligent men, start them off and keep in touch with them, and see that they produce. We will expect \$500,000 of business from the men he appoints.

We will offer an attractive agency proposition for such men as this supervisor appoints.

Only men who have proved their ability in this kind of work will be considered. Salary and expenses will be paid for steady, effective work. Not a sinecure, but a good job for the man who can do the work and get results.

Replies treated in strictest confidence. Write to Superintendent of Agencies.

**New World Life Insurance Company**  
Spokane, Washington

dent A. W. Hogue will speak on "Unfathomed Power" and Secretary J. C. Higdon will discuss "The 12 Percent Income Contract." B. A. Hedges will speak on "Independent Old Age for the Salesman," and Medical Director E. F. Robinson will talk on "Reducing the Rejection Ratio."

Homecoming will be held Sept. 25-26. Company officials will speak and tell of the new home office building. At the sales meetings "Underwriting Your Own Business" will be discussed by Dr. H. W. Dingman, medical director, Continental Assurance; "Demonstration of Organized Sales Talks" by B. A. Hedges, director of field service; "The Spirit of the B. M. A. Claim Department," J. H. Torrance, vice-president; "The \$1,000,000 Life Insurance Salesman," J. S. Maryman, Aetna Life, Little Rock, Ark.; and "The Real Builders of the New B. M. A. Home," J. C. Swift, director, B. M. A.

A number of organized sales talks and demonstrations will also be given.

### General Agents in Meeting

**Association of Pacific Mutual Field Managers Gathers at Toronto, Can., Sept. 22-23**

General agents of the Pacific Mutual Life will gather at Toronto, Can., next week for the annual General Agents' Association convention, Monday and Tuesday. C. I. D. Moore, vice-president and superintendent of agents, will talk. John Henry Russell of Los Angeles, a son of John Newton Russell and assistant manager under his father of the Los Angeles agency, is president of the General Agents' association this year. Dr. S. S. Huebner is on the program.

The company will present three new manuals to the general agents, one a sales kit developed by Walter Gastil, manager of the Oakland agency; the second, a manual on circulation, by Lee B. Scheuer, Detroit general agent; and third, a manual on an advertising program developed by Frank B. Schwenker, general agent at Phoenix, Ariz. Mr. Schwenker for approximately a year has been personally running an effective advertising campaign in his territory, using copy which he himself writes. His idea has been taken up by the company and developed through an advertising agency into a nation-wide service for all Pacific Mutual agents.

### Guaranty Life Agents Hold Annual Convention

Approximately 75 general agents and leading producers of the Guaranty Life of Davenport spent two days at the home office in annual assembly. L. J. Dougherty, president and general manager, was in charge of the business sessions. Representatives were present from 14 states.

On the second day the agencies producing the largest volume of business were announced. They are, in order of production, J. E. Walker, Lansing, Mich.; G. H. Dale, Oklahoma; J. F. Fogarty, Kansas City; T. G. Mason, Cedar Rapids; J. A. Blum, Des Moines; W. L. Fuqua, Arkansas; A. J. Loyet, Davenport; C. T. Seefeldt, Cedar Rapids; H. W. Hawes, Rockford, and J. R. Walsh, Detroit.

A \$100,000 and over producers' club was organized during the conference. All producers of that amount with bonus renewals at least 20 percent, are eligible for membership. Bonuses and group insurance will be placed on the lives of members of the club.

### Cedar Rapids Life

The Cedar Rapids Life of Cedar Rapids, Ia., will hold its annual agency convention there Nov. 6-7. M. J. Hedin is president of the \$200,000 club as well as of the \$100,000 Club. Other officers of the latter organization are: Vice-president, G. E. Horton; secretary, William Vogt, Jr.; treasurer, L. M. Hall.

## A Great Mid-Western Institution

Dedicated to unsurpassed service in everything pertaining to the business of Life Insurance.

And that, among many other things, includes, for the Agent:

An annual vacation convention—two years ago a seven day cruise of the Great Lakes; last year Yellowstone Park; this year a "return" to Colorado's beautiful Troutdale-in-the-Pines, affording the opportunity of intimate and helpful contact with the Company's managing Officers and with ones fellow field workers.

We need more representatives, and invite your correspondence.

## The Farmers & Bankers Life Insurance Company

H. K. LINDSLEY,  
President

J. H. STEWART,  
Vice-President

FRANK B. JACOBSHAGEN, Secretary

Wichita, Kansas

"Policies That Protect"



## Commissioners Tour New England

(CONTINUED FROM PAGE 5)

skirmish was rehearsed by Judge Prescott Keyes of Concord.

### BIG DINNER AT SQUANTUM

The next spot was the Squantum Club on Narragansett Bay, near Providence where the entire party were guests of the Rhode Island insurance companies. A very sumptuous dinner, a typical shore repast was served. United States Senator Felix Hebert, former insurance commissioner of Rhode Island, acted as the chief host. Talks were made by Insurance Commissioner Wilbur of Rhode Island and Commissioner Wysong. This dinner was one of the most interesting that the company had before them. Each lady was presented with a dressing table clock. The men were given three golf balls each and the commissioners and deputies received further souvenirs.

### Observations Made From the Motor Bus Window

**W. A. Tarver**, insurance commissioner of Texas, tall and commanding, is the recognized orator of the convention.

Although the **Insurance Commissioners Convention** party was slated to leave Hartford at 8 o'clock in the morning, the late sleepers delayed the start, which made the luncheon at Long Trails Lodge three hours later than scheduled. The party did not arrive at Montpelier until nearly 8 o'clock. In traveling the next day the cavalcade arrived at Poland Springs, Me., about 8:30 p. m., having lost its way twice. The party decided to leave earlier from Poland Springs and arrived at Portsmouth, N. H., an hour and a half ahead of the scheduled time for the repast there. The people scattered about town and three-fourths of

them ate their luncheon before the magnificent dinner with clams and lobster as the piece de resistance was served.

The transportation committee had a publicity man accompany the party, he being **G. D. Newton** of the publicity department of the Travelers. **C. W. Van Beynum**, head of the Travelers publicity department, was chairman of the publicity committee. Messrs. Van Beynum and Newton did most efficient service. They were on hand at all times to assist the newspaper men. In the advance publicity they scored many notable hits. Mr. Newton telegraphed back to all the Hartford newspapers the high spots of the trip. Mr. Van Beynum joined the tourists at Squantum. These two men received praise from every hand from the newspaper people.

**Donald G. North**, head of the North's Insurance Agency of New Haven, not only was the official guide and lecturer, showing the people around the Yale campus Sunday afternoon, but he was the right hand man of James L. Case of Norwich, who was general chairman of the Connecticut Insurance Day exercises. Mr. North led the community singing and the banquet Tuesday night. He is at home before an orchestra and leading a body of people in singing.

President Ed Mays and Judge Albert D. Norconi, general counsel of the **Continental Life of St. Louis**, attended the meeting.

First Deputy **Thomas F. Behan** of the New York department was head of his delegation this year as the governor has not yet appointed a superintendent. Judge Albert Conway, who recently retired from that office to become a judge in King's county court, was present at the Hartford meeting for a day.

Superintendent of Agents **R. H. Brigham** of the National Life of Montpelier was at Hartford getting information as to the size of the party the Na-

tional Life would have to entertain. Mr. Brigham was a hard working man and performed his task well.

There were some **towering men** at the convention, chief of which was Commissioner Tarver of Texas. Close seconds, however, were James A. Beha, general manager National Bureau of Casualty & Surety Underwriters, Commissioner Yenter of Iowa, Col. Walker Taylor of Wilmington, N. C., and C. W. Hobbs, the commissioners' representative in the National Council on Compensation Insurance. Colonel Taylor is now a perennial visitor at commissioners' meetings. He is a well known local agent in his city and has great political influence in his state.

**W. E. Batterson**, mayor of Hartford, is a useful looking official. He is a grandson of the founder of the company and his business life has been spent with it. He was formerly special agent attached to the Chicago office and later was called to the home office. He became assistant secretary of the Travelers Fire. His talks all had an insurance flavor as he is well versed in the business. When Commissioner Wysong was responding to the address of welcome he said that probably he needed the keys of the jail more than anything else. Mayor Batterson reached into his pocket, pulled out a key and handed it to Mr. Wysong.

In the roll call the representative from the Virginia department gave as one of its officials present **Col. Joseph Button**, honorary commissioner for life.

**T. Loyal Anderson**, formerly actuary of the Illinois department, who is now assistant actuary of the Federal Life of Chicago, mingled with old friends.

**F. W. McAllister**, vice-president of the Kansas City Life and general counsel, former attorney general of Missouri and Mrs. McAllister accompanied the tourists as far as Boston.

**V. Evan Gray** of Toronto, former insurance superintendent of Ontario and now a well known attorney representing chiefly casualty interests, who is manager of the Canadian Casualty Underwriters Association, was present at the meeting and accompanied the party

on its trip throughout. **R. Leighton Foster**, Ontario superintendent and president of the Canadian commissioners' organization and Mrs. Foster, were popular at all the functions.

The commissioners met in Hartford in 1919 when **C. W. Fairchild** of Colorado was president. Mr. Fairchild is now assistant manager of the Association of Casualty & Surety Executives. Commissioners Olness of North Dakota and Porter of Montana were the only two commissioners now in office that were present at the Hartford meeting. Mr. Fairchild was present at this year's meeting representing his organization.

Some of the convention people went to the **Brainard aviation field** Tuesday afternoon and were taken up either in a blimp or airplane with the compliments of the Hartford companies.

**Arthur I. Vorys**, former Ohio commissioner and now an attorney in his city, attended his first commissioners' banquet 30 years ago at Hartford.

**Mrs. H. P. Dunham** had charge of the ladies and in a most charming and hospitable way made herself felt in all directions. Mrs. Dunham is a most gracious hostess and endeavored to see that all the ladies were entertained.

**H. Pierson Hammond**, assistant secretary of the life department of the Travelers, deserves special credit for the strenuous and faithful work he put in making arrangements for the meeting. The committee relied very much on Mr. Hammond to see that all the details dovetailed in with one another and that the arrangements were carried out in order. **William BroSmith**, vice-president of the Travelers, was general chairman of the committee on arrangements and commanded the entire troop. The convention showed its appreciation of both these men by giving them an ovation.

At the banquet at Swampscott each lady was presented with a can of **Gorton's codfish cakes**.

A stop was made at **Bretton Woods, N. H.**, for lunch Thursday. This proved to be one of the most delightful spots

**DIRECT  
MAIL  
SERVICE**



the trip with a wonderful view of the White Mountains and Mt. Washington nearby. The stop Thursday night was at the **Poland Springs** hotel in Maine, another famous New England resort.

It is stated that the next annual meeting of the commissioners may be in **Portland, Ore.** It was largely for this reason that Commissioner Lee of Oregon was placed in the second vice-president's chair.

The **Pamunkey** celebration was held at Swampscott.

In passing through **Bethlehem, N. H.**, the tourists were interested in this famous capital of hayfever sufferers where the annual convention is held.

During the entire journey, except from the New Hampshire boundary to Poland Springs, Me., the cavalcade was escorted by one or two **state police**. On the trip from Boston to Providence the state police stopped all traffic for the commissioners' party. The buses were allowed to go through red lights and all speed laws were violated.

A brief stop was made at the **Hotel Wentworth** on the Portsmouth coast, where Mrs. H. P. Dunham spends a number of weeks each summer. An attempt was made to have luncheon here but the hotel could not accommodate the crowd owing to other activities.

Following the banquet at **Swampscott**, those who did not go to the Pamunkey celebration afforded the opportunity of enjoying a playlet, "The Cotter's Saturday Night," a sketch based on Robert Burns poem by John E. Daniels. It was admirably done.

The menu card and program at the **Swampscott banquet** was in the form of an insurance policy issued by the companies and corporations whose business is insurance and which are domiciled in the commonwealth of Massachusetts. The policy was signed by Merton L. Brown, insurance commissioner, president; Arthur E. Linnell, deputy, secretary, and Arthur B. Lines, actuary, as policy registrar.

When the visitors were at the famous battlefield of Concord they were given a book entitled "**Concord**" which was a historical sketch of the historic points of the city together with excellent illustrations. The book was the gift of the Middlesex Mutual Fire, the Lynn Mutual Fire and Citizens Mutual, all of Concord. The first was started in 1826, the next, 1828, and the next, 1846.

The party at every point had an opportunity to have the most **excellent sea food**. Lobsters, clams and various kinds of fish were the order of the day. Lobsters were featured at many meals.

## Claim Men Hold Ottawa Meeting

(CONTINUED FROM PAGE 4)

of hearing George D. Finlayson, veteran insurance superintendent of the dominion, speak on "The Relation of the Claim Department to the Public." He stated that although dissatisfaction with claim awards resulted chiefly from failure of policyholders to read their contracts, nevertheless the implicit trust exhibited by the policyholder, who usually takes the word of the agent or broker selling the insurance, must not be misplaced.

### Few Claims in Courts

He pointed out that of 65,000 claims in Canada during 1929, only 16 found their way into the courts for adjudication. In litigation cases where decisions have been rendered by courts, he said, there appeared to be many instances when the insured had been unduly favored. He stressed that work of members must be kept outside the courts, concluding by asserting that private insurers today are in better condition to deal with claims than any government. Company men present heartily applauded Superintendent Finlayson's sentiments on private insurers. He said that the wisdom of this system was tested by economy in acquisition cost

and fairness in claim service. On the latter score, he said, private insurers had not been found wanting. He further said that the efficacy of this course has been proved by experience in other countries where government insurance has been attempted.

The talk of Shepard Bryan of Atlanta on the adjuster's work as seen from the trial lawyer's point of view, citing the importance of the adjuster in preparing a case for the trial lawyer, also was presented last week in THE NATIONAL UNDERWRITER.

### Gilmore Is on Program

At the concluding session Solon T. Gilmore, general counsel Business Men's Assurance of Kansas City, Mo., was the guest speaker, talking on "Damages for Repudiation of Contract."

Companies becoming members during the past year were reported by E. D. Millea, chairman of the membership committee, as follows: Continental Indemnity of Chicago, Merchants Mutual Casualty of Buffalo, Berkshire Life of Pittsfield, Capitol Life of Denver, Farm Bureau Mutual of Columbus, O., Mutual Benefit Life of Newark, and Colonial Life of Cincinnati, O.

Every **life underwriter** should subscribe for a personal copy of The National Underwriter.

## Grave Problems Face Industrial

(CONTINUED FROM PAGE 5)

21 years I feel that we all have every reason to be proud of the important place our business occupies in the business world today. We have been the means of creating a great commercial and social institution.

"If we will carry the message of protection against sickness and accident into the home of every family in this vast country of ours, there is no limit to the business than can be placed on our books. Who will deny the crying need of universal protection against disability from sickness or accident? I believe that we have the facilities, the brains and the energy to bring about the dawn of a new day in our line of business, but we shall have to develop more initiative.

"With the return of normal conditions in the commercial world, we feel sure that the lessons which we have learned during this somewhat trying period will be productive of much good; we will emerge therefrom with a more efficient and loyal force than before. Such periods of depression should impress on each one of us the importance of the idea that our first consideration should

always be the financial stability of our respective companies, their ability to promptly pay present and future obligations.

### Expense Still Big Problem

"The expense of doing business continues to be one of our real big problems. There appears to be no relief in sight from taxation. It is generally agreed that the premium tax is not equitable, less than 4 percent of the amount collected being required to efficiently operate the various state insurance departments, the balance going to the general fund.

The ever-vital problem of building a highly trained and efficient field organization is of greater importance than ever before. The very nature of the industrial business makes the acquisition expense somewhat greater than in other lines. Yet this can be reduced by a reduction in finals and agency turnover, and the elimination entirely from our ranks of the 'has beens' and unscrupulous, so-called experienced agents, who continually infest our organization. If we do not build our organization as we build a debit, we have not accomplished much. Increased business one year will fade away the next year, unless we have created the right sort of an organization to take care of it."

## "Check and Double Check"

We refer to our standing in Best's Rating Chart.

Note these outstanding qualifications:

1. Nearly a quarter century old.
2. Character and distribution of assets.
3. Low mortality and high interest earnings.
4. Low net premiums for first ten years.
5. Rating—"A" or "Excellent."

Want a general agency with a company of this character? Then write in confidence to the Agency Department.

**THE MIDLAND MUTUAL LIFE INSURANCE COMPANY**  
COLUMBUS, OHIO

Assets \$19,000,000

In force \$110,000,000



## THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION

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### Member Audit Bureau of Circulations

### The Spirit and Contribution of New England

THOSE who journeyed with the insurance commissioners through the New England states last week were taught many valuable lessons and learned much. It was well that the first visit should be made to one of the famous universities of New England. Before the meeting started many were taken down to New Haven to visit the Yale campus and see its impressive structures. New England foundations are built on solid educational ground. Its colleges and institutions of learning have been a great factor in adding to the advancement of mankind.

It did not take remarkable acumen to see that New England's insurance companies belong to a particularly and peculiarly stable and substantial group of financial corporations. Fortunately there has been little chicanery in New England insurance. The promoter has been absent to a great extent and there has not been that swerving from the true path and orthodox faith that unhappily is found elsewhere. New England has kept her insurance companies free from guile. Many of them are deeply imbedded in the rocks. They are old and have been tested in many ways. They represent the truest type of insurance protection. These institutions can well be emulated and used as a pattern. The personal fortunes of stockholders and directors have been back of these splendid companies. In times of crisis there has never been thought of wavering. These corporations are indicative of the spirit of the country itself.

As the commissioners and their party rode through all the New England states they worshiped reverently at the sacred shrines. They realized at all times they were reaching back to an ancestry that had much to do with the framing of the fundamentals, virtues and ideals of the United States. There was something of superior mold in mind and character in the New England colonials. They may have been narrow and bigoted in some respects but in the larger aspect they

represented a quality of citizenship whose strain has meant permanency, sincerity and conservatism.

Extracting a scant living from a stubborn soil, enduring many hardships of climate, possessing but few facilities for making labor easier, these people went at their tasks industriously, faithfully and honestly. As one recalls the famous men and women who have come from the countryside and villages of New England, he realizes that this section of the country was the veritable cradle for those who became famous in the world of letters, business, statesmanship, arts and the professions.

Thousands of spots in New England are historic. They mark the focal points of some important movement. They were watch towers of freedom. People fought and died for what they felt to be their rights. There were no hardships too severe, no barriers too great, no burdens too heavy when principle was involved.

One returns from New England with a new baptism of fealty to his country and an increasing faith in those foundation principles that largely were born in this particular section as representing a basis for government and civilization.

The insurance companies that contributed to this pilgrimage doubtless had in mind the educational and spiritual effect it would have on people from other parts. New England is diversified in its scenery, history, resources and endowment. It is a wonderful place to visit. But, best of all, it is the finest spring to which Americans can go and drink pure water at the very source.

A WRITER once said that the person who watches the clock and lives for the moment to quit to arrive should have the clock dial numbered with dollar signs. This would bring to his attention the fact that time is money in any business. That being the case he would not be so eager to see the dollars pass him by.

## PERSONAL SIDE OF BUSINESS

The yacht "Isabel," owned by W. A. Fraser, head of the Woodmen of the World, was completely gutted by fire when it burned off Kagawaong, Ont., where Mr. Fraser was entertaining guests. It was not insured. Mr. Fraser says it was practically the only possession on which he did not carry insurance.

J. Vernon Casey, manager for the North American Life at Madison, Wis., was married last week to Miss Lucile Knoll of South Milwaukee. They will be at home after Nov. 1 after a motor trip.

Miles W. Heitzberg, vice-president of the Inter-Southern Life of Louisville, has just moved his family to that city from St. Louis, his former home.

Peter F. Shields, for 22 years manager of the policy department in the home office of the Home Life of Philadelphia, died after a long illness. He was 66.

Thomas Donnelly, well known in Detroit insurance circles, died Saturday at the age of 91. Mr. Donnelly went to Detroit in 1890 to open offices for the Canada Life and remained as manager until his retirement several years ago.

Rich J. Mier, vice-president of the Pacific Mutual Life, is on a six months' trip around the world. His first stop was Honolulu, from which point Mr. Mier cabled the home office he was feeling fine.

The probability of a recount of the ballots cast for Republican nomination for governor of Michigan looms as final returns in the primary election give the nomination to the opponent of Alexander Groesbeck, president of the Michigan Life of Detroit and three times governor of the state, by the bare margin of 5,555 votes out of a total of 734,299 cast for the two candidates.

Dr. Samuel B. Scholz, Jr., has been elected medical director by the Penn Mutual Life. Dr. Scholz was with the Equitable Life as medical referee and examiner for 10 years, for two years medical director of the Missouri State Life, and associate medical director for the past 10 years with the Massachusetts Mutual Life. He was born in Wisconsin in 1878 and has studied at Purdue University, the University of Michigan, and the Denver and Gross College of Medicine. His son, Jackson V. Scholz, is a well-known athlete who has competed in the Olympics.

Vernon L. Thompson will direct the next Little Rock, Ark., Community Chest campaign, which tentatively is scheduled for the first week in November. Mr. Thompson is vice-president of the Pyramid Life.

Ernest W. Owen, Michigan state manager of the Sun Life of Canada, is enjoying a leisurely trip through the Pacific Coast states. He expects to return to Detroit Sept. 22.

Emil J. Barth, assistant superintendent of the Prudential in St. Louis, has declined election to the presidency of the St. Louis Board of Education because of press of business duties. He has been vice-president of the board for the past year.

William Hecht, general agent of the Ohio State Life at Celina, O., and Miss Ruth Suhr were married a few days ago.

W. D. Robinson, Athens, O., representative of the Lincoln National Life, was the owner of the first Austin car in his part of the state. Through the diminutive size of the car and its remarkable

performances in races against motorcycles, etc., he secured a considerable amount of publicity.

George B. Hodgeman, district manager for the Mutual Benefit Life at Port Huron, Mich., was killed on the Gratiot turnpike 11 miles from there when his automobile overturned in a ditch.

William E. Furlong, 74, a member of the legal department of the Northwestern Mutual Life for 44 years, died at his summer home at Oconomowoc, Wis., Sept. 14, after a brief illness. Mr. Furlong was for a number of years one of Milwaukee's outstanding authorities on legal questions involving insurance. Soon after being admitted to practice he joined the Milwaukee company, continuing until his retirement in 1926.

Miss A. V. Bowyer, executive secretary of the San Francisco Life Underwriters Association, has been reappointed a member of the statewide street and highway safety committee of the California State Chamber of Commerce. Miss Bowyer is also chairman of the insurance committee of the chamber.

Stanford E. Moses, retired United States naval captain, has joined the Ben F. Shapero agency of the Penn Mutual at San Francisco. A graduate of Annapolis with the class of '92, Captain Moses served through the Spanish-American and world wars, his last active sea service being in command of the aircraft squadron battle fleet in the Pacific. Since his retirement three years ago he has confined his activities largely to aviation and for some time past has been aeronautical consultant for the "Pacific Flyer."

John F. Ruehlmann, vice-president of the Western & Southern Life, and his family were featured in the rotogravure section of the Cincinnati "Enquirer" recently when he, Mrs. Ruehlmann and their 10 children were presented as an interesting family group.

Vice-President C. I. D. Moore of the Pacific Mutual Life was honored by the home office agency in Los Angeles at the conclusion of the August "C. I. D." campaign in his honor. Dozens of roses representing applications were presented him.

Harry I. Davis, Atlanta general agent of the Massachusetts Mutual Life, and his wife will arrive in New York this week after an extended trip to Europe.

Clarence C. Wysong, insurance commissioner of Indiana, who was elected president of the National Convention of Insurance Commissioners, is a native of his state, having been born in Putnam county, Nov. 24, 1888. He was educated at DePauw and took his law degree at the University of Indiana. He practiced law and served for two terms in the general assembly for Marion county. He is a lieutenant colonel in the Indiana National Guard. Mr. Wysong has been prominent in the commissioners' organization since he became a state official.

R. S. Tiernan is a double decked life insurance president. He now resides in Kansas City, Mo., and is president of the American Savings Life of that city, a stock company. Mr. Tiernan is also president of the Central Life of Fort Scott, Kan., a mutual company, being one of its founders. He gets out his trusty Cadillac and motors down to Fort Scott every week, spending part of his time there. Mr. Tiernan is one of the veterans in life insurance, having a long experience. He started with the Provident Savings Life at Salt Lake City. The Central Life commenced business in 1907. Mr. Tiernan has been



highly successful in his life insurance enterprises. He and Mrs. Tiernan attended the meeting of the insurance commissioners at Hartford and took the journey through New England with the party. Mrs. Tiernan, by the way, was one of the most beautiful women in attendance. Mr. and Mrs. Tiernan live in a bungalow in Kansas City on top of an apartment building, where they have an exquisitely appointed abiding place. They will attend the American Life Convention meeting in Chicago, and then motor down to Ohio, the native state of Mr. Tiernan, he having been born in Springfield.

The Central Life and the American Savings Life are now arranging to extend their operations to some extent.

**Chauncey S. S. Miller**, publicity director of the North British & Mercantile, has been named a member of the executive committee of the Insurance Advertising Conference to fill the unexpired term of John W. Longnecker of the Hartford Fire, while **Leslie Tillinghast** of the Great American Indemnity has been given a similar post, replacing J. H. Woods, formerly of the Great Northern Life.

**Platt Whitman**, former Wisconsin commissioner and one of the best insurance commissioners the state ever had, has a very good chance of being elected congressman from the third congressional district, unless all signs fail. Mr. Whitman did not always agree with insurance companies and agents. In fact, it was he who succeeded in setting up the right of state control of insurance rates in Wisconsin through his ruling, approved by the supreme court, that Wisconsin rates were too high and rejecting many rule book schedules. Mr. Whitman has a reputation for being fearless and independent. He is also able, and it is believed that if he is sent to congress he will not take an inconspicuous part there.

**Clare A. Lee**, insurance commissioner of Oregon, who becomes second vice-president of the National Convention of Insurance Commissioners, is a native of his state, having been born Jan. 4, 1889, in Lane county. He was educated in the Monmouth Normal and Willamette University. He served as secretary and manager of the L. & H. Finance Service. He was justice of the peace in Lane county for nine years. He was 19 years a local insurance agent and organized four agencies when he was in

the business. He was the manager of two bank agencies. Later he purchased these and formed the C. A. Lee Agencies of Eugene, Ore. Mr. Lee is regarded as a young man of fine ability.

**Jens Smith**, Chicago manager for the Pacific Mutual Life, has been elected president of the Cook County Council of Lions Clubs, under the jurisdiction of which are 42 organizations. He has just retired as president of the Central Lions club of Chicago, the parent chapter from which 2,300 clubs of this civic order in the United States have sprung.

The father of President **George I. Cochrane** of the Pacific Mutual Life, first minister of the Metropolitan Methodist church of Toronto and one of the first Methodist missionaries to Japan, will be honored Sept. 21 by the unveiling of a statue at London, Ont. George I. Cochrane spent his boyhood and received his early training with his father in Japan.

**Charles M. Cortner**, superintendent of agents of the Midland Life of Kansas City, was married recently to Mrs. Elsie Chrystal of Joplin, Mo.

**Louis L. Graham**, chief claim adjuster of the Business Men's Assurance and secretary of the International Claim Association, was seriously injured last week at Ottawa, Can., when he was struck in the eye with a golf ball during the annual golf tournament in connection with the association's meeting there. Mr. Graham was taken to an Ottawa hospital and surgeons believe that the eye can be saved, although there was considerable hemorrhage.

**Charles C. Denio**, Philadelphia manager of the Mutual Life of New York, died in Deerfield, Mass., Sept. 12 at the age of 62. He was born in Terre Haute, Ind., and graduated from the University of Michigan in 1892 securing the degree of bachelor of law. The funeral was held in Jackson, Mich.

**S. T. Whatley**, general agent Aetna Life in Chicago, will make a little side trip to Quebec next week as a part of his participation in the international convention of life underwriters at Toronto, in order to meet Mrs. Whatley who has been in Europe enjoying a vacation and placing their young daughter, Miss Betty, in a school in Switzerland. Mrs. Whatley received her education in another Swiss school not more than 20 minutes ride from the school where Betty is.

## LIFE AGENCY CHANGES

### Goes to the Lincoln National

**W. E. Pendleton Well Known in Insurance Becomes General Agent at Kansas City, Mo.**

Wiley E. Pendleton has been named general agent of the Lincoln National Life at Kansas City, Mo. He is a man of outstanding insurance experience and achievements. He is a University of Missouri man and a member of the Sigma Alpha Epsilon fraternity. After a few years' experience as assistant cashier of the Bank of Independence of Missouri, he entered life insurance with the Travelers. A few years thereafter he became manager of the life department of the R. B. Jones & Sons agency in Kansas City. In addition to his work as a manager, Mr. Pendleton has been a strong personal producer.

### Frisky Now in Charge

Following the death of Manager M. Dwight Higbee of the Federal Life agency in the First National Bank building in Chicago, it will be continued as the "Loop Agency." Arthur W. Frisky, Jr., is manager. Arthur E. Beening, F. D. G. Walker and Harry

S. Weller, who were associated with Mr. Higbee will continue with the agency in their former capacities.

### Clifford P. Bell

Clifford P. Bell has been appointed general agent of the National Life of Vermont at Albany, N. Y. Since the resignation of General Agent Nicolet about a year ago, the office has been in charge of Miss Anna M. Gibson, cashier. Mr. Bell has a wide experience in personal salesmanship and organization.

### S. D. Hughston

The Old Line Life of Milwaukee has appointed S. D. Hughston state supervisor in southern Texas, with headquarters at Brownsville. Mr. Hughston has been with the company as general agent.

### H. R. Stapp

H. R. Stapp, a life man of long experience, who previously has represented the Travelers and New York Life, has been appointed general agent of the Pacific Mutual Life at Davenport, Ia., with jurisdiction over the tri-cities. He has not been in the life insurance business for some five years but most recently

# TURNING DEFEAT INTO VICTORY

No agent can sell all forms of policies all of the time. But what agent hasn't written cases where an out of the ordinary policy—and only that policy—fills the bill?

The N<sup>W</sup>NL rate book contains every type of life insurance policy for which there is a human need. You may talk ordinary life five days out of the week, but the sixth day you will run into a case which demands something else.

With N<sup>W</sup>NL's unexcelled policy kit, a resourceful agent will turn many an apparent defeat into victory.

## NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

O. J. ARNOLD, PRESIDENT

STRONG ~ Minneapolis, Minn. ~ LIBERAL

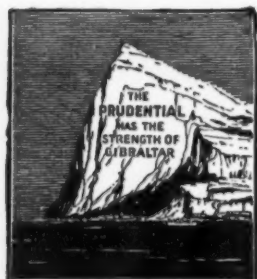
# SAVING AND SLAVING

Old Age Independence, enjoyed by a comparative few, is available to *all* men and women capable of a little self-denial during their productive years.

It may seem difficult to provide an endowment now for later years, but remember this—

*Saving* in youth and middle age is play, when compared with *Slaving* in Old Age.

Tell your prospect how to prepare himself against this hazard.



## The Prudential Insurance Company of America

EDWARD D. DUFFIELD, President

Home Office - Newark, New Jersey

### ARE YOU AWAKE TO OPPORTUNITY

Life Insurance Men of Vision Know That the Greatest Opportunity

Is with the Company That Is

NOT TOO LARGE

NOT TOO OLD

NOT TOO SMALL

NOT TOO YOUNG

The Solid Growing Company Officered by Men Who Are Agency Minded

#### WE HAVE THE TOOLS

Participating and Non-Participating Policies—Men and Women on Equal Terms—Total Disability and Double Indemnity

Circularization Aids—Supervisor's Help—Direct Contracts, Human Relations, Liberal Contracts and Special Producer's Clubs

If You Are Ready for a General Agency There Is Desirable Territory Open in IOWA—NEBRASKA—MINNESOTA—AND SOUTH DAKOTA

#### THE OLD LINE

### CEDAR RAPIDS LIFE INSURANCE COMPANY

Jay G. Sigmund—Vice-Pres. & Agency Director  
COL. C. B. ROBBINS, Pres. C. B. SVOBODA, Secy.  
CEDAR RAPIDS, IOWA

has been vice-president of a large Chicago bank.

#### Pincus Saxs

Pincus Saxs has been appointed general agent for the Eureka-Maryland Assurance at Newark, N. J., and will establish a new agency in that territory. Mr. Saxs is a Newark man and will start with an organization of ten men.

#### Montana Life Changes

Three appointments are announced by the Montana Life of Helena. R. W. Wigley becomes general agent at Mankato, Minn., John H. Coffitt assumes the general agency for four counties in southwestern Minnesota with headquarters at Worthington, and L. C. Collins assumes charge of a new general agency in the potato-sugar beet district around Blackfoot, Ida. Will H. Aberle and Roy Griffith, both of Sioux Falls, S. D., are appointed special agents.

#### Charles D. Williams

Charles D. Williams, of Boonville, Ind., who on July 1 last resigned his position as superintendent of agencies for the American Central Life in Indiana and Illinois, has been appointed general agent for the Mutual Life of New York and also the Southern Surety. Mr. Williams will continue to make his headquarters in Boonville, but will operate in several counties in southern Indiana.

### Life Agency Notes

The Penn Mutual has appointed **Forster Thompson** supervisor for the northwestern Iowa district. Mr. Thompson has been with the company for seven years except for two years spent as city clerk, Sioux City. His offices are in the Insurance Exchange building.

\*\*\*

C. D. Deppe, general agent for the Register Life of Davenport at Sac City, Ia., has announced appointment of **F. J. Daniels** as district manager for Sac City and surrounding territory.

\*\*\*

The Midwest Life has appointed **Harry M. Liggett** general agent at Salina, Kan., to succeed Milner & Liggett. Mr. Liggett's agency stood second in production at the beginning of September and he is third in the list of leading personal producers. Mr. Milner has not announced his future plans.

\*\*\*

The Detroit Life has appointed **Frank S. Mack**, former underwriter with the Detroit agency, as agency supervisor for the Upper Peninsula of Michigan. Mr. Mack will have charge of agency extension work in that district.

\*\*\*

**Grover C. Boyd** of Jonesboro, Ark., has been made agency supervisor for west Tennessee by the Lamar Life. Mr. Boyd, for 11 years sales manager of a St. Louis supply house, has had experience in life insurance with the Penn Mutual, the New York Life and the Mutual Life of New York. At one time he was a district manager in northeast Arkansas for the latter.

## EASTERN STATES ACTIVITIES

### University Has C. L. U. Course

Finance School at Pittsburgh Prepares Complete Course of Study for Stiff Examinations

A complete program of study for candidates desiring to take the C. L. U. examinations is being offered this fall for the first time by the evening school of accounts and finance of the University of Pennsylvania. It is said that a student who follows the entire course and meets all other requirements of the American College of Life Underwriters should be able to pass the first installment of the C. L. U. examinations at the end of his second year and the other two installments at the end of his third year. The schedule calls for "Commercial Law I" to be given on Monday night; "Markets and Prices" on Tuesday; "Money and Credit" on Thursday, and "Foundations of English" on Friday. During the second year "Life Insurance Salesmanship—A and B" will be given on Monday; "Commercial Law II" on Tuesday; "Corporation Finance" on Wednesday, and "Social Problems" on Friday. "Economic Problems," "Commercial Law III," "Investments" and "Business and Government" are listed on the third year's schedule.

Classes will begin Sept. 29, and will meet evenings throughout the academic year, hours being 7:30 to 9:45 p. m., with 15 minutes' intermission at 8:30. Admission to the school will not of itself establish a student's eligibility to take the C. L. U. examination. Director of the course is Prof. Theodore J. Grayson.

### Will Have Large Delegation

The Pittsburgh agency of the Penn Mutual Life has chartered a special car to be joined to the train that is to carry the company's representatives to their annual convention at Colorado Springs, Colo. The agency will have 23 qualified members and guests.

This is the largest crowd ever taken from the Pittsburgh agency, an unusual accomplishment for an agency that is less than three years old.

### Sales Demonstrations Given

Connecticut Mutual Life Holds Education Conference for Eastern Agents at Portsmouth

The Connecticut Mutual Life held its eastern regional educational conference in Portsmouth, N. H., last week. Practical sales demonstrations rather than talks and lectures featured the gathering. The sales situations were acted out from a stage set to resemble a typical business office.

The session was called to order by H. M. Holderness, after which President James Lee Loomis welcomed those present, congratulated them on their past achievements and emphasized that the conference had been designed, not to give mere inspiration or vague theory, but to show, by actual demonstration, practical sales ideas that have been field-tested and found effective. He was followed by Peter M. Fraser, newly elected vice-president, who made several announcements of interest.

Sales demonstrations the first day were given on "Retirement Income," "Readjustment Funds" and "Educational Funds" by Edward C. Andersen and Raymond W. Simpkin, agency assistants; Lester S. Lamb and William C. Rutherford of the Black agency, Philadelphia, and Carl D. Ott and E. H. Langthorn of Rochester.

#### Stress Conservation

On the second day conservation was thoroughly discussed, including such important topics as selection of prospects, selling for a particular purpose, delivery of the policy, servicing policyholders and loans. A demonstration on "Reselling the Policyholder" was given by Edward C. Andersen, agency assistant, and Harold N. Chandler, secretary. After a brief recess, group discussions of other conservation matters were held.

Sales demonstrations on the last day were given on "Estate Selling," "Programming" and "Stock Purchase." Those who took part were Charles J. Zimmerman and Harold J. Ranson of the Fraser agency, New York, with Dennis B. Maduro, counsel of the Life



Underwriters Association of the City of New York; William E. Wrenshall, Jr., and William D. Stouffer, Pittsburgh; and Nelson C. Taintor and Bernard L. Mullins of Hartford.

The Portsmouth conference brought to a close this year's regional meetings of the Connecticut Mutual.

### Novel Sales Plan Staged by H. C. Lawrence Agency

A novel sales plan has been successfully used by the men of the H. C. Lawrence agency of the Lincoln National Life in New Jersey which is termed the 3-3-3 system. The plan is as follows: Service cards, with the company issues carrying names of all types of prospects are listed. From this list the following daily divisions are made for calls for that date: First, three calls on old policyholders, next three calls on prospects whose ages change, and finally, three calls cold canvass for new prospects. The success of the system was proved when two men of that agency averaged five apps per week using it and another two apps per week.

### Meyer Quits at Newark

Arthur H. Meyer has resigned as manager of the Home Life's Newark office. Before joining the company a year and a half ago he was educational secretary of the National Y. M. C. A., having organized insurance sales courses for the association throughout the country.

### Gets Film Men's Applications

Angelo Giovannelli, former cameraman for Fox Films, joined the Prudential recently and wrote \$100,000 the first week. He is connected with the Charles A. Egenolf Agency, New York City. He is specializing in writing poli-

cies on motion picture actors and others connected with the film industry.

### Nunnemaker Resigns

Charles G. Nunnemaker, general agent at Philadelphia for the Maryland Life, has resigned. The office is temporarily

in charge of Samuel B. Owens, Jr., district agent. Charles C. Clabaugh, general supervisor of agencies, will visit Philadelphia within the next few days to interview a number of prospective agents. He will also visit Pittston and Erie, Pa.

## CENTRAL WESTERN STATES

### Mrs. Brown Goes to Chicago

Will Build Up a Woman's Agency for the Lincoln National in E. J. Brand's Office

Mrs. Z. Z. Brown, formerly with the home office agency of the Lincoln National Life at Fort Wayne, Ind., has moved to Chicago to accept an opportunity of building a woman's agency in connection with E. J. Brand & Co., the Chicago office of the Lincoln National. During her insurance career in Fort Wayne, Mrs. Brown secured wide recognition as an insurance counselor for women, as well as gaining a reputation as a consistent producer of quality business. She has been a company leader in the sale of annuities, retirement incomes, and has many times been listed as the leading woman producer of the Lincoln National. She was also one of the first women in the United States to pass the C. L. U. examinations and secure the degree of chartered life underwriter.

### Saltzstein Celebration Postponed

A. L. Saltzstein, Milwaukee general agent for the New England Mutual Life, who celebrates his 30th anniversary as general agent for the company this month, announces that the jubilee celebration has been postponed from Sept. 26-27 to Oct. 17-18. The change is made to accommodate George Wil-

lard Smith, president of the New England Mutual, who will be in Milwaukee to participate in the observance of the anniversary. An agency school and an elaborate program of celebration will mark the observance of the jubilee.

### Hobart & Oates Had School

Hobart & Oates, Chicago general agents of the Northwestern Mutual Life, had Dr. S. S. Huebner of the University of Pennsylvania conduct an all day school for their agents Tuesday. He treated phases of business building and application of life insurance to needs of mankind. There were 85 full time men in attendance.

### Michigan Managers Confer

Clariss Adams, executive vice-president of the American Life of Detroit, and Hugh Vandewalker, Michigan agency supervisor, presided over the sales conference of Michigan managers at Kalamazoo last week.

### Alexander & Co. Field Day

W. A. Alexander & Co., large Chicago general agency representing the Fidelity & Casualty, Penn Mutual Life and other companies, held its annual picnic and field day at a park near Aurora, Sept. 13. Amusing races and field events were held between 11 and 2 o'clock, with F. J. Bristle in charge, the pick of the staff of the agency and of the Fidelity & Casualty force competing with employees. The picnickers

frolicked in the afternoon, enjoying dancing, cards, horse shoe pitching, indoor baseball, volley ball, etc. Special buses were provided by the agency. A free-for-all golf tournament was held in the morning and afternoon.

### LeBoy Was August Leader

Rudolph LeBoy led the entire Aetna Life general agency of S. T. Whatley in Chicago on paid business in August with \$288,500 in seven applications and J. M. Timmons was second with \$109,000 paid life business in five cases. Both are also large accident producers. Mr. LeBoy was second for the company of the entire field staff in the United States for August. He is a well known casualty producer who has been up among the national leaders of the country in that field for some years. In the year ended Aug. 31 he qualified for the \$1,000,000 round table at the Toronto, Can. International convention of life underwriters which he will attend. The Aetna Life Chicago agency paid for \$1,333,231 in 17 cases in August. The full time organization paid for \$906,731 as compared with \$881,500 in August, 1929.

### Newell Has Fine Record

R. Burt Newell, agency supervisor at Chicago for the Franklin Life of Springfield, Ill., has made a remarkable production record since his affiliation with that company March 1 of this year. He has recorded over \$750,000 worth of business and is leading all agents for his company. Mr. Newell has developed a large clientele in Chicago through 30 years of insurance service.

### Ohio Day in January

Ohio Insurance Day will be held in Columbus in January, sponsored by the Insurance Federation of Ohio. This announcement followed the conference of officers of the federation headed by B. G. Dawes, Jr., president of the Eureka-Security Fire & Marine of Cin-

# EXPANSION PROGRAM NOW UNDER WAY

REPRESENTATIVES ARE NOW BEING SELECTED FOR  
PERMANENT APPOINTMENT IN CHOICE TERRITORY

GET IN ON THE BENEFITS THIS PROGRAM PROVIDES

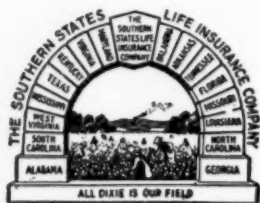
FOR FURTHER INFORMATION WRITE TO  
DR. F. H. SCHOLLE, MANAGER OF AGENCIES

## NORTHERN STATES LIFE INSURANCE CO.

(IN THE GREAT CHICAGO - CALUMET DISTRICT)

HAMMOND — INDIANA





WILMER L. MOORE, *President*

**1930 - - - 1940**

What will you do with these ten years?  
What you will get from them depends  
upon what you put into them.

Are you marking time in a connection  
which is not just what you need?

If you are contented, do not be disturbed.  
Our broad service to field men and to  
policyholders will offer just what your  
greater success requires.

**E. S. ALBRITTON**  
Vice-President and Manager of Agencies

## THE SOUTHERN STATES LIFE INSURANCE COMPANY

ATLANTA, GEORGIA

### FOR EVERYONE

For the man who has a limited sum to spend on Insurance—the most benefit and protection for the least money—Endowment at Age 85.

For the man to whom the idea of paying premiums in old age is distasteful—Limited Payment Life.

For the man who wishes to accumulate a fund which will be available to him later—A Full Line of Endowments.

For the business and professional man—Preferred Risk Ordinary Life.

For the man who wishes his salary continued after his death—Monthly Income.

For the man with children—Educational Endowments and Juvenile Insurance.

For the man who desires Complete Coverage—the policy which fits his needs including Double and Triple Indemnity, Weekly Accident Indemnity (non-cancellable, non-proratable, and unlimitable), and our total and permanent disability provision—all in one policy.

For the agent who is interested in selling unique and complete coverage—this suggestion: Get in touch immediately with

EUGENE E. REED, Vice-President

**UNITED LIFE AND ACCIDENT  
INSURANCE COMPANY**  
*United Life Building* *Concord, New Hampshire*

Originators of Life and Accident insurance united in one policy.

cinnati. Every line of insurance will be represented at the convention and sectional meetings will be conducted during the day with a general session at night. Every insurance organization in the state will be invited to take part. The federation also will hold a series of group meetings throughout Ohio in the next few months.

### Missouri Valley State News

#### Kansas Company Group Meets

Home Owned Association Gathers in  
Fort Scott at Central Life's  
Office

The first annual regional conference of the Kansas Association of Home Owned Life Insurance Companies is being held at Fort Scott, the home of the Central Life, this week. The association was organized last spring to put on a general educational campaign for the benefit of all the home owned companies of the state. An educational director has been employed to handle the campaign.

The conference begins with a luncheon at which R. S. Tiernan, president of the Central Life; L. W. Elliott, president of the chamber of commerce, and Martin Miller, mayor of Fort Scott, are to deliver addresses of welcome and James A. Allen, president of the Victory Life, will make the response. Nathan Jones of Salina is to discuss "Why I Carry One Million Dollars of Life Insurance."

The afternoon session is to be a field day when James J. Donelan, vice-president of the United Life, will discuss "Kansas Companies and Kansas Agents." Commissioner Hobbs will discuss the Kansas companies and their contacts with the insurance department. Robert Stone, vice-president of the National Reserve, will discuss the "tax situation," and Fred P. Metzger, president of the American Home, will present the progress of the association. W. A. Biby, educational director of the association, will discuss the propaganda campaign which the association is conducting and the results therefrom up to the present time. The meeting will close with a question box period.

#### Deichman in Millionaire Class

Fred Deichman of the Kansas City agency of the Equitable of New York paid for more than \$1,000,000 of life insurance before Aug. 31, and expects to double that amount before the end of the year. Mr. Deichman has a record

### Has Rapid Rise



EDMUND E. LAMB

Executive Vice-president Walter E. Webb of the National Life U. S. A., in an agency letter compliments Edmund E. Lamb, manager home office agency in Chicago with headquarters in the home office building, 29 South La Salle street, for the excellent record achieved in a short time. The organization under Mr. Lamb, all of which was created by him in less than two years, is producing at the rate of \$5,000,000 for 1930.

Mr. Lamb has cultivated legitimate brokerage lines, resulting in a substantial volume from that source. One of the significant points mentioned is the large volume of business received through agency personnel, the full time contingent being ten men all placed under contract within the past year and a half. Mr. Lamb is widely known in the life insurance fraternity of Chicago and has had a rapid rise to a post of importance.

of \$3,000,000 in one year, and for several years he has maintained more than a million average. He must have thought the "blues" songs being sung by almost everyone would be good accompaniment to the task of writing \$2,000,000.

#### Hold Twin City Conference

The Massachusetts Mutual held its annual conference for Twin City representatives in Minneapolis office last week with about 45 in attendance. Dr. S. S. Huebner, educational adviser of the company, spoke. F. T. McNally, general agent at Minneapolis, presided.

### IN THE SOUTH AND SOUTHWEST

#### Citizens Life Men Indicted

Warrants Out for Former Officials of  
Defunct Alabama Company—  
Embezzlement Charged

Several indictments were returned against former officials of the defunct Citizens Life of Huntsville Ala., last week. Warrants for their arrests were sent to the cities in which they reside but pending their arrest names of those indicted were not announced. All the warrants are reported to charge embezzlement and several counts are pending against at least one of the defendants.

#### Julian Is Receiver

Affairs of Citizens Life were placed in federal receivership a few months ago with Frank N. Julian, former insurance commissioner as receiver. The large industrial business of the company was

later reinsured by the Liberty National Life of Birmingham.

#### Says Women Make Good Agents

Women are peculiarly fitted to sell life insurance said E. C. Toombs, Birmingham agency director for the New York Life, in an address to the Business & Professional Women's Club there. He said that woman's role as a homemaker fits her for this role because the strongest selling point is the benefits derived by the family.

#### Norfolk Agent Cited

J. M. Commander, Norfolk life agent, has been cited to appear before the Virginia state corporation commission Sept. 29 to show cause why his license should not be revoked or suspended. The complainant is Walter A. Edwards, Jr., auditor of the Interstate Insurance & Finance Company, general agent at Norfolk for the Pan-American Life. It



charged that Commander while an agent for this company failed to account for certain premiums collected on policies sold by him and issued by the American, the amount involved being \$271. Commander has since become agent for another company in Norfolk.

### Policyholders Are Speakers

Congressman W. M. Whittington of Mississippi; Littleton Upshur, editor Daily Commonwealth, and J. B. Price, president Price School of Commerce all policyholders, spoke on "Life Insurance" at the Arkansas-Mississippi regional sales conference of the Lamar Life in Greenwood. Miss Ran Schlater, district manager of the Lamar and host of the conference, had written these men.

C. W. Welty, general manager; Rex Magee, advertising manager, and A. Gustafson, agency director, were the same office men on the program. The

regional conference was for southeast Arkansas and northwest Mississippi, one of a series planned in the expansion program of the company.

### Texas Men Are Leaders

J. Shepherd, Jr., Texas representative of the Lincoln National Life, led the field force in the number of applications taken for August with 109. G. S. Perrin and J. A. Bell, also of Texas, were second and third respectively, with 102 and 89 applications to their credit.

### Weeks Speaks in Louisville

Harvey Weeks, assistant secretary Hanover Bank & Trust Co., New York, and former general agent of the Provident Mutual, spoke before a selected group of life underwriters in Louisville, Sept. 18. The meeting was arranged by Keith Spears, trust department Kentucky Title & Trust Co.

## PACIFIC COAST AND MOUNTAIN

### Pensioners Cannot Insure

#### California Attorney General Makes Ruling Regarding Persons Receiving Stipend from State

SAN FRANCISCO, Sept. 18.—Recipients of pensions, under the California old age pension laws, cannot carry life insurance, according to an opinion rendered the state department of social welfare by Attorney-General U. S. Webb. The opinion was in reply to a series of questions put to the attorney-general by the head of the welfare department, one of which was directed at the amount of premiums a pensioner may pay out of the monthly stipend the state or county pays them under the laws. General Webb went into the entire subject at length and concluded his views as follows:

"We see no reason why applicants (for pensions) should be permitted to carry any insurance and would suggest that the boards of supervisors compel adjustments of such policies as soon as practicable. Insofar as paid up policies of insurance are concerned we believe that the boards of supervisors, under Section 9, would be justified in refusing aid until the policy has been assigned to the county, either for surrender or to hold until such person died." Mr. Webb stated this "in view of the fact that the county and state are caring for these people."

### Reliance Life Gaining in California Field

Superintendent of Agencies Angus Almond of the western division of the Reliance Life of Pittsburgh, after visiting Los Angeles, reports business is unusually good. According to Mr. Almond, the Reliance Life showed a gain of 34 percent in paid business in August over August, 1929. The company shows a gain of 18 percent in paid business for the first eight months of 1930.

He says business on the west coast is in a healthy condition and shows an excellent increase. Vice-Presidents H. G. Scott and E. G. McCormack recently made a tour of the west coast offices and have returned to their headquarters at Pittsburgh.

The southern California department, under the supervision of V. J. Adams, is showing excellent gains for 1930. Paid business the first eight months totalled more than for all of 1929.

### Fidelity Mutual Men Entertained

E. Ralph Edgerton, agency manager for the Fidelity Mutual Life at Spokane, Wash., gave a luncheon there for Frank H. Sykes, vice-president, and W. H.

Arnette, western representative, which was attended by the Spokane staff.

### Aetnaizers Meet at Del Monte

The Aetna plan of insurance and bonding protection formed the subject of discussion at the western branch "Aetnaizers" conference at Del Monte Sept. 15-17.

W. L. Mooney, vice-president, delivered the opening address following an outline of the purpose of the conference by C. A. Bonner, manager of the western department.

Those attending from the home office were: W. L. Mooney, vice-president; W. H. Dallas, assistant vice-president, life department; C. L. Langley, assistant secretary, automobile department; James Moody, Jr., superintendent of life agency department; R. A. Mallery, field supervisor; C. T. Spaulding, field supervisor, and Thomas Fraher, field engineer. Commissioner E. Forrest Mitchell of California, was principal speaker at the banquet.

Following the meeting at Del Monte the officials left for Los Angeles to conduct a similar meeting.

### Sun Life Agency Meets

About 30 representatives from Utah, eastern Idaho and western Wyoming attended the annual meeting of the Salt Lake City agency of the Sun Life of Canada. The business session was featured by an address by E. O. Howard, president of Walker Brothers, bankers, in the morning and in the afternoon golf and bridge were played. Rondo W. Anderson, branch manager, was in charge.

### C. L. U. Class in Los Angeles

A C. L. U. class under the direction of Verne Steward is being enrolled in Los Angeles. The first meeting will be held Sept. 29. Weekly meetings of two hours each will be held regularly thereafter. Mr. Steward, who is a special agent of the Provident Mutual Life, is a C. L. U., having passed the examination in 1929, and has had two years of successful experience in conducting C. L. U. classes.

## ACCIDENT AND HEALTH FIELD

### Managers Club Is Formed

#### President Collins of National Accident and Health Association Assists in Kansas City

KANSAS CITY, MO., Sept. 18.—J. P. Collins, president of the National Association of Accident & Health Managers and superintendent of agents for the National Casualty, was here last Saturday on a business trip and in the interests of the formation of the Kansas City Accident & Health Managers' Club. He was the guest of J. E. Jackson, manager here for the Commercial Casualty.

An organization meeting of the Kansas City group is to be held Oct. 6. Douglas Marks, regional vice-president for the western states, and manager for the Southern Surety here, and H. H. Strayer, manager of the Central Surety's accident and health department, are in charge.

Mr. Collins, commenting upon the

success of the National association in the short time since it was organized, attributed its success to the splendid cooperation of the insurance press. He said he was convinced that if it had not been for the backing given the organization by the insurance publications from the start, it wouldn't have succeeded.

### Chicago Club Resumes Work

The Accident & Health Managers Club of Chicago held its first fall meeting Monday, with Ralph Parlette, well known author, editor and lecturer on inspirational topics, as the speaker. A memorial resolution was adopted for the late M. Dwight Higbee, downtown manager of the Federal Life in Chicago, who had been very active in the work of the club. Four new members were received.

President Percy D. Smith, Aetna Life, announced that the October meeting will be devoted to an open discussion of several questions which are of vital interest to accident and health men at

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An Account with the Aetna Pays

this time. Announcement will be made of the subjects to be discussed and the leaders for each within the next week.

### Change Premium Payment Plan

Some underwriters in accident departments of casualty companies are noting an increase of changes from annual to semi-annual and quarterly premium payment plans. By this means undoubtedly some lapses are being prevented.

### George Barrett Moves

George Barrett has removed his Kansas City, Mo., law office to 318 Long building. Mr. Barrett specializes in insurance litigation and claim adjustments. For five years he was in charge of the accident and health claim department of the Employers Indemnity and later had charge of the accident and health department of the Sentinel Life, being superintendent of agents as well as head of the claim department. Before joining the Employers he was located in Kansas City for eight years, in law and independent claim work.

### Swindler Now in Michigan

LANSING, MICH., Sept. 18.—An intensive search is being made for A. R. Sloan who is charged with having victimized librarians in various Michigan cities by selling them supposed health and accident policies and pocketing the first year's premium. Insurance department officials believe Sloan may be the same man who was pursuing a similar game in Ohio.

## ASSOCIATIONS

### Meyer Is New Baltimore Head

Association Condemns Formation by Investment Houses of Subsidiaries to Write Insurance

BALTIMORE, Sept. 18.—The Baltimore Life Underwriters Association at its meeting this week adopted a resolution condemning the practice of investment houses forming companies or subsidiaries to write insurance, thus depriving the legitimate agent or broker of the commission to which he is entitled. A strenuous campaign against this practice will be inaugurated shortly.

These officers were elected: President, George A. Meyer; vice-president, R. Earl Greenlee; secretary-treasurer, George S. Robertson; directors, Warren K. Magruder, chairman; E. Jay Becker, Dennis Gavanaugh, Henry H. McBratney, Joseph Meyer and Herbert Taylor. Seven new members were elected.

H. H. McBratney, retiring president, in his report praised the cooperation existing among the membership and spoke on the special activities of the year, including the sales congress.

Mr. Meyer in taking office spoke on rebating and urged the association to work for a law for the licensing of insurance solicitors, including new qualifications.

An amendment to the by-laws, making a graduated scale of dues and entrance fees, was unanimously adopted. The association went on record as endorsing Mr. McBratney for third vice-president of the National association at the Toronto convention.

Lansing, Mich.—The first fall meeting of the Lansing association, Sept. 20, will be addressed by Raleigh R. Stotz of Grand Rapids, state supervisor for the Mutual Benefit. Mr. Stotz is one of the four men in Michigan who has won the C. L. U. degree. He will talk on "Life Underwriting as a Profession." The meeting will be an open one and all Lansing agents who are not now association members will be invited to attend.

Los Angeles—Dr. Frederic P. Woellner of the University of California, southern branch, will be the principal speaker on the entertainment program at the Los Angeles association meeting Sept. 18.

This will be an open meeting for all insurance men and will be practically the first meeting under the administration of the new president, Roy Deane. It is announced that subsequent meetings will be closed to nonmembers.

Des Moines.—Raymond W. Hansen, agent in Des Moines for the Union Central Life, has been elected secretary of the Des Moines association succeeding Chas. W. Timberlake, agency superintendent of the New England Mutual Life who was recently transferred to Minneapolis. Regular meetings will be resumed by the association on Oct. 4. According to announcement of Ernest Gray, first vice-president of the association, the board plans to have special

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for all practical purposes, handle subjects in logical sequence such as a single lecturer would deliver in giving a series of talks. Mr. Roy Deming explained that the insurance men will get much more benefit out of such an arrangement than they would by giving the addresses without regard to their relationship to one another.

**New York City.**—Theodore M. Riehle, chairman membership committee of the New York City association has given the names of the 39 other members who will serve with him on his committee. The campaign for new members will start shortly and will continue without interruption, taking as its model the sort of intelligent and consistent campaign a life underwriter would use in getting business.

**Shreveport, La.**—Life Underwriters of Shreveport have organized the North Louisiana association with 46 members.

**Oklahoma City.**—Robert H. Carter, general agent for the Connecticut Mutual Life, was installed as president at the first of the season's meetings of the Oklahoma association last week. C. P. Brewer, of the extension department of the University of Oklahoma, was principal speaker on "Selling Self and Service."

George E. Lackey was officially endorsed by the association as president of the National association. The Oklahoma association had previously endorsed C. C. Day, general agent for the Pacific Mutual, as candidate for this honor, but owing to illness in his family Mr. Day was forced to withdraw as a prospective candidate.

**Lincoln, Neb.**—At the September meeting the Nebraska association voted to go on the budget basis and will expend \$700 during the year for its various activities. The fiscal year will begin July 1 instead of Jan. 1 in order that each administration may do its own budgeting.

**Peoria, Ill.**—Flavel L. Wright, general agent of the Northwestern Mutual at St. Louis, will speak on "The Life Insurance Agent's New Relationship to the Public and Public Affairs" at the first fall meeting of the Peoria association, Sept. 19.

**Ottawa, Can.**—The first fall meeting of the Ottawa association was held last week.

Frank C. Hoy of the Canada Life, Toronto, spoke on "Prospecting." Mr. Hoy emphasized the importance of keeping "insurance conscious."

**Erie, Pa.**—The Erie association has elected officers for the coming year: President, E. L. Wadsworth; vice-president, Walter S. Reitzell; secretary, Howell L. James; treasurer, C. V. Faulkner; directors, I. D. McQuiston and George Frank.

**Phoenix, Ariz.**—The Arizona association discussed plans for its annual life insurance week at the first fall meeting. The exact date will be announced later.

**Dayton, O.**—Opening its winter season, the Dayton association, with an overflow attendance, heard an interesting talk on "Alaska," by Louis H. Buisch, welfare director of the National Cash Register Company.

## Guardian Life Official Dies Suddenly in Canada

**NEW YORK, Sept. 18.**—Fred A. Goecke, second vice-president and secretary of the Guardian Life, died unexpectedly in Montreal Saturday following an emergency operation. He was 53 years old.

Mr. Goecke was stricken in Montreal while on a vacation trip with his wife and his daughter. They had stopped at Portland and Quebec and were planning to attend the International Claim Association convention which took place last week at Ottawa. His home was in Bloomfield, N. J.

Mr. Goecke had been with the Guardian for 34 years, having started in the claim department. He became assistant secretary in 1915 and secretary in 1921. Early this year he was made second vice-president as well as secretary.

Mr. Goecke was the third oldest member of the Guardian's staff in length of service and had served under all of the four presidents who have headed the company in its 70 years of existence.

## Attempt to Cancel Policy on Uxoricide-Suicide's Life

**AMARILLO, TEX., Sept. 18.**—The Lincoln National Life has filed suit in the federal district court here, to cancel two insurance policies, one on the life of A. D. Payne and the other on his wife, whom he killed June 27, 1930, with a dynamite explosion which demolished the Payne family automobile. The suit gives promise of a heated court fight.

The policy on Payne's life for \$10,000 had been in effect a year and a day when he ended his life with an explosion in his cell in the county jail at Amarillo, Aug. 29. It is believed that he hoped in this manner to avoid the suicide clause in his insurance policy. The policy on Mrs. Payne's life was for \$5,000 and was issued several months ago. The suits filed by the insurance company were brought against the three orphaned children of Payne and Sid Payne, his brother and guardian of the children.

## Macaulay Still Optimistic

President T. B. Macaulay of the Sun Life of Canada is still optimistic about common stock investments according to a copyrighted article of the Universal Service. Mr. Macaulay feels that the outstanding corporations of the North American continent have a brilliant future and that investments in their securities are decidedly worth while. The present depression is only a passing phase, says Mr. Macaulay, and is mild compared with the setbacks of the 70's and even of 1921. Mr. Macaulay does not worry about the fluctuations in the market, as he believes common stocks should be purchased as permanent investment.

## Hiller Takes Dallas Post

William J. Hiller, for 15 years assistant actuary for the Bankers Life of Nebraska, has resigned to become secretary and actuary of the newly-organized Great American Life of Dallas, Tex. He will also be a vice-president of the Continental National Life of Denver. Mr. Hiller graduated from the University of Michigan in 1915, and for the past ten years has taught actuarial mathematics and given courses in life insurance at the University of Nebraska.

## Prudential's Development Plan

**NEWARK, Sept. 18.**—Plans for the Prudential's \$2,000,000 "Ironbound" development in Newark, which will contain a total of 408 apartments, have been completed and the company expects to invite bids shortly. To support home industries and help relieve local unemployment it will ask only local contractors to bid.

It will cover the block bounded by Fleming avenue, Raymond boulevard and Lexington and Oxford streets. It will take up less than 40 percent of the ground area of the block, allowing ample space within the block for lawns, children's playgrounds, etc.

## Foster Locates in the East

H. D. Foster, vice-president of the Old Republic Life of Chicago, has been made vice-president and eastern manager with offices at 16 North Second street, Harrisburg, Pa. He is developing the eastern states for his company. Mr. Foster is a son-in-law of Charles H. Boyer, who founded the company.

## Will Honor E. Miller France

E. Miller France, general agent of the State Mutual Life of Cleveland, will celebrate his 25th anniversary in that capacity with an agency meeting and banquet Oct. 2. President Bullock and Vice-President Stephen Ireland together with 10 general agents from other cities will be present. Mr. France is one of the stalwart general agents of the country and has built up a splendid business for the State Mutual.

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## Brigham Talks

### On Investments

(CONTINUED FROM PAGE 3)

companies will continue to invest through loan correspondents rather than establish their own loan offices, if loan correspondents exercise sound judgment and service loans adequately. "My prediction is," he said, "that the efficient, progressive and intelligent loan correspondent will encounter an average amount of fair weather in dealing with life companies."

He does not think the federal land bank offers competition impossible to meet if there is efficient partnership between the insurance company and its loan correspondents.

He cautioned the insurance companies that they should work together to keep loan values where they should be, rather than, by competing with each other, raise the amount of loans until there is practically no margin left.

### Depression More Than Temporary

In Mr. Brigham's opinion, 75 cent wheat and the present period of farm price depression may be more than temporary. He pointed out two significant price factors: the fact that Soviet Russia plans to turn into export channels 160,000,000 bushels of wheat in a few years, and the further fact that shift from the use of horses and mules to trucks, tractors and automobiles on farm land has released 25,000,000 acres, formerly devoted to raising feed for the horses and mules, to the raising of crops which must be marketed in other ways.

### Farm Value Depreciation

Census figures, he said, show that the value of all United States farm property depreciated \$21,000,000,000, or 27 percent, from 1921 to 1925, and in Iowa, Nebraska, Kansas, Minnesota and the Dakotas (perhaps the best farm loan field) it depreciated almost 33 percent, so that a loan made on a 50 percent basis in 1920 stood on a 75 percent basis in 1925.

Fourteen life companies are now co-operating to do research work in regard to farm mortgages. Special study will be made of the reasons for trouble in territories where the most property has been acquired for foreclosure.

## Entertainment

### for Gathering

(CONTINUED FROM PAGE 3)

James Fairlie, Abraham Lincoln Life; Francis L. Brown, Rockford Life; B. R. Nueske, Old Colony Life; Carl Stutsman and F. W. Rodgers, Reinsurance Life; Alfred MacArthur and R. E. Irish, Central Life of Chicago; Henry Abels, Franklin Life; R. W. Stevens and J. F. Williams, Illinois Life; E. A. Olson, Mutual Trust Life; E. S. Ashbrook and C. G. Ashbrook, North American Life; Emmet C. May and Walter E. May, Peoria Life; H. G. Royer and John A. Sullivan, Great Northern Life; S. W. Goss, Security Life; A. L. Hereford, Springfield Life; Dr. H. W. Dingman, Continental Assurance; Isaac Miller Hamilton, L. D. Cavanaugh and George Barmore, Federal Life.

### Robotham Gets Promotion

L. M. Robotham, assistant secretary of the life department of the Travelers, has been made secretary, succeeding the late J. Stanley Scott. He was born at Unionville, Conn. He went to the Travelers June 15, 1906, as assistant to the office supervisor. He entered the life department in 1907 and was successively head of the life premium division and chief clerk of the life underwriting department. In 1916 he was elected assistant secretary of the department.

Arthur M. Watson of the Des Moines agency of the Register Life of Davenport, was married Sept. 13 to Miss Doreen Skinner of Des Moines.

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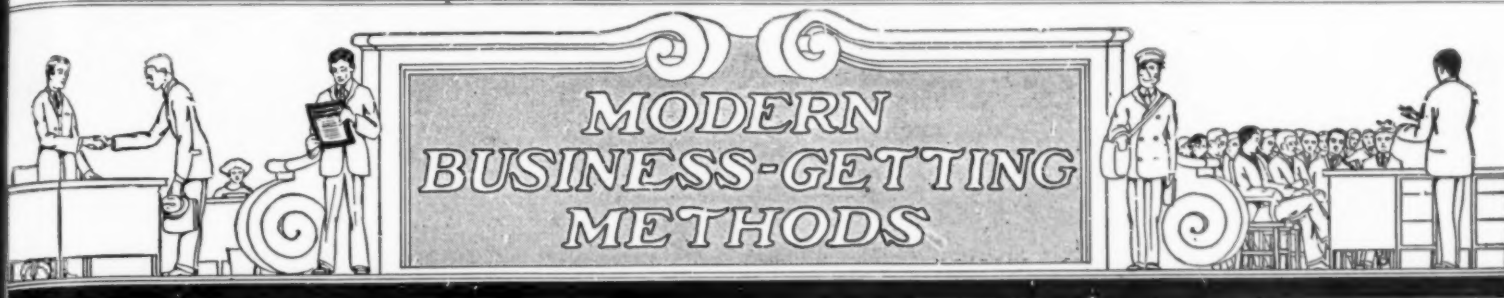
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## Additional Answers to Questions Given in Chartered Life Underwriters Degree Examination by American College

(Continued from Last Week)

### Examination B

(A candidate taking examination B was not separately examined in English, but was given a special grade for the whole examination based upon grammar, spelling, punctuation and paragraphing and other factors essential to the writing of good English.)

#### (A) ECONOMIC PROBLEMS

(Candidates were instructed to answer any four questions.)

##### Question 1

(a) Outline and explain briefly the various economic functions rendered by organized produce exchanges in the commodity markets.

##### Answer

While there are some defects in our organized produce exchanges in the commodity markets, defects which may possibly be rectified in the future, these exchanges render most valuable economic services.

First, they provide an available market place, both for the seller and for the buyer.

Second, they tend to render prices uniform over a wide area.

Third, they tend over a period to allow the fundamental law of demand and supply to operate. This demand and supply take into consideration a wide area and thus prevent marked differences.

Fourth, they permit the present discounting of the future and thus make possible more definite financial planning both on the part of the buyer and of the seller, thus permitting hedging which allows those in the trade to insure against price changes.

Fifth, they tend to equalize the prices of commodities produced in different months, i. e., of similar kind.

Sixth, they assist in the proper adjustment of prices between different commodities.

Seventh, they contribute much to the development of warehouses, etc., and the

consequent availability of the much used warehouse receipts.

##### Question 1

(b) When the price of wheat, for instance, is falling, farmers are prone to attribute it to the action of speculation on the Chicago Board of Trade. Do you think this criticism is justified? Be specific in your answer.

##### Answer

A falling price for wheat on the Chicago Board of Trade is not the fault of speculation but due to the fact that the available supply is increasing beyond the estimated demand. The opinions of speculators on the price of wheat for future delivery vary with the causes affecting supply such as weather conditions, amount of acreage being sown in wheat, etc. The farmers themselves are often the cause of lowering prices. If the price of wheat is high one year, they plant more acreage in wheat, and when the crop begins to come to market it is greater in amount than the demand and results in a lower price. Wheat harvests all over the world affect the market and not alone that grown in the United States.

##### Question 2

Outline the process of evolution through which the American legislative attitude toward the regulation of trusts has passed. (Be specific in your references to the leading federal laws.)

##### Answer

The problem of regulating trusts is a problem that has arisen with the industrialization of the United States.

The states have reserved the right to regulate trade within the state. The federal government has the power, given by the Constitution, to regulate interstate commerce.

With the development of industry, it became possible to effect certain economies through organization. Combines grew, and many small competitors found it difficult to meet the competition of these combines. Discrimina-

tions were made in favor of the large combines. Railroads in competing for business favored the trusts.

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The Sherman Anti-Trust Law was passed forbidding combinations in restraint of trade. Being a Federal law is applied only to interstate commerce. Business had developed to the point where any large business was engaged in interstate commerce, and hence, the business was subject to regulation.

At first the effects of the Sherman Anti-Trust law were negligible. Later developments caused active persecutions under the law and many large trusts were ordered dissolved. The dissolving of the Standard Oil Company was a prominent example.

The Interstate Commerce Commission was established in regulate railroads. Various states attempted to regulate the rates on railroads passing through the states. There was considerable confusion regarding jurisdiction until the Supreme Court decisions established fundamental principles which put all practical regulation of the railroads in the hands of the Interstate Commerce Commission.

\*\*\*

In the first part of the twentieth century the Clayton Act was passed. This act sought to "put teeth" in the anti-trust laws. Interlocking directorates were forbidden. The law, however, exempted labor unions from trust regulation. A labor union was not held to be a combination in restraint of trade.

Previous to the world war, there was considerable competition for world markets. The traders from the United States found themselves competing with large combinations of foreign merchants. Often these combinations were subsidized by foreign governments. To assist our industries in competition, the Webb-Pomerene act was passed. This law allows industries to combine in exploiting the foreign markets.

The recent attitude of the courts in regulating trusts or combinations has been more lenient than formerly. They recognize that economies can be effected through combinations. They have injected the word "reasonable" in their interpretations. This attitude may partly be attributed to the government administration of the railroads during the world war. It was found that many true economies could be effected by

combinations. Many industries should be monopolies by the very nature of their services.

\*\*\*

The present tendency seems to be towards the regulation of monopolies. In local and state commerce, monopolies are often legalized. Water companies, street car lines, etc., are by their nature monopolies. These monopolies are regulated by franchise. After a limitation is put on the rate of interest they may earn on their appraised valuation.

##### Question 3

List the various stages in the "business cycle" and outline the principal characteristics of each. At approximately what stage in the cycle would you judge the country to be in at the present time? How would you expect the sales of life insurance to be affected at different stages?

##### Answer

The stages of the "business cycle" are:

(1) period of prosperity; (2) crisis; (3) depression and liquidation; (4) gradual recovery.

In the period of prosperity business is expanding, prices are high, wages are high, credit is inflated, prices of stocks are up, interest rates are high, optimism and enthusiasm reign. This very expansion tends to generate the next stage. Over-production or wrong distribution cuts profits. The cost of production rises. Prices bring dissatisfaction. Money becomes "tight". Buying is curtailed. In 1920 the commodity situation brought about the crisis. In 1929, the inflated stock market crash precipitated liquidation.

In the period of depression prices fall as merchants try to dispose of their over-inventories at any price. Money becomes more plentiful as commercial demands slacken, and the interest rate falls. Production slows up or ceases so labor is released or wages cut, resulting in unemployment and further cutting of purchasing power. Gloom settles on the country. We are at present in this stage.

\*\*\*

Finally the upward curve takes place. Money becomes so plentiful that banks encourage commercial loans. Plentiful money is indicated today in the Federal Reserve rediscount rate. As production increases, unemployment ceases,

**NEW PAID INSURANCE—1929**  
**\$147,858,997**

**INSURANCE IN FORCE**  
**\$1,202,101,059**

**NEW ENGLAND MUTUAL LIFE INSURANCE CO.**  
**BOSTON, MASS.**

Chartered 1835

Organized 1843

**THE HOME LIFE INSURANCE COMPANY**  
**OF AMERICA**

**PROTECTS THE ENTIRE FAMILY**

Home Life Agents are equipped to serve every need for protection. Modern policies are issued on both Industrial and Ordinary plans from birth to Age 65 next birthday. The Home Life sales-kit means a whole family of potential policyholders back of every door-bell.

There Is a Home Life Policy for Every Purse and Purpose

**OVER ONE HUNDRED MILLIONS IN FORCE**  
**INDEPENDENCE SQUARE PHILADELPHIA, PA.**  
(INTERESTED IN REPLIES FROM PENNSYLVANIA AND DELAWARE)



**NATIONAL CASUALTY COMPANY**

**SUCCESSFUL**  
-- NATIONAL --  
-- AGENCIES

**T-H-E  
COMBINATION  
I-D-E-A-L**

*Liberal policies*  
—  
*Good territory*  
—  
*Agency—Building  
Co-Operation from  
Home Office*  
—  
*Efficient Claims  
Service*

**Are you making PROGRESS? If not, are you willing to spend TWO CENTS to learn WHY National Casualty salesmen forge ahead continually?**  
**We have a full line of Commercial, Industrial, Group and Deferred Payment Accident and Health policies. A connection with this company will be the TURNING POINT IN YOUR LIFE.**

**NATIONAL CASUALTY COMPANY**  
 Detroit, Michigan  
 W. G. Curtis, President

1851

1930

**Co-operation - Sincerity - Service**  
 Our Motto for 79 Years  
*Ask Any Berkshire Agent*  
**BERKSHIRE LIFE INSURANCE CO.**  
 Incorporated 1851  
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 431 S. Dearborn St. Chicago

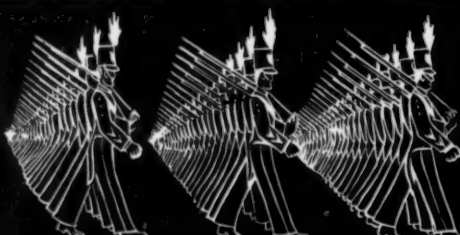
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WM. J. ALEXANDER  
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Successor to  
**GLOBE MUTUAL LIFE INSURANCE CO.**  
 INCORPORATED 1895 T. F. BARRY, Founder

**THE UNITED STATES LIFE INSURANCE COMPANY**  
 Organized 1850 In the City of New York Non-Participating Policies Only  
 Over 78 Years of Service to Policyholders  
 Good territory for personal producers, under direct contract  
 HOME OFFICE: 156 Fifth Avenue, New York City

**WHAT TO KNOW ABOUT LIFE INSURANCE—**  
 By J. B. Duryea.....Price \$1.50  
 A practical, clear statement by a field man or what the average salesman needs to know about the fundamentals. Order from The National Underwriter, A1946 Insurance Exchange, Chicago.



**EVERY  
EMANCIPATOR  
POLICY  
\$10,000 OR MORE**

*THE LINCOLN NATIONAL LIFE INSURANCE COMPANY, FORT WAYNE, IND.*

creating buying power. People again become optimistic and we gradually swing into the period of prosperity.

When prices are high and money is plentiful, it is not difficult to persuade the successful man to put his surplus in part into insurance. Last year's total insurance increased despite the lure of the stock market for quick profits.

In the period of crisis, it is harder to sell insurance or it is more difficult to get attention and decision on a contract to extend into the future.

During "depression," the wise man recreates his estate, safeguards his investments, bolsters his credit, provides a margin of safety by means of life insurance. This is reflected today in the general increase of insurance written by practically all the insurance companies in the United States. As the curve again swings upward insurance will be bought in increasing amounts as men have learned that it is the one thing which remains stable, with values assured to which one can turn in adversity.

#### Question 4

The United States Congress has spent a great deal of time within the past year discussing tariff legislation. What arguments would you expect high-protectionists to advance in this, and how would free-traders answer them?

#### Answer

(a) Arguments of the high-protectionists.

(1) We need high tariff to protect our infant industries.

(2) We need high tariff to guarantee high wages to the American workmen.

(3) We need to make ourselves self sufficient as a protection to ourselves in case of national emergency. For this reason we must encourage our industries.

(4) We need high tariff to protect the farmer.

(5) We need to protect the American standard of living.

(6) A radical reduction in tariff will bring about disaster.

\* \* \*

(b) Corresponding answers of free-trader.

(1) It is unsound economically to promote industry where it cannot thrive cheaply and on its own feet. Furthermore, Ford has demonstrated that we can go to Europe with American methods and compete successfully. A tariff high enough might promote the growth of coffee and bananas in hot houses. Artificial barriers to trade are unsound.

(2) American workmen get high wages because of high standards of production. Our American methods make high wages possible. Wages, after all, are relative. If prices are high and wages high the purchasing power of the dollar is low. What we want from an economic viewpoint is a flow of commodities with a high real wage.

(3) In the first place let us strive to eliminate war. Moreover, it should be remembered that industries have developed rapidly under the stress of war conditions in our past experience. Our short-sighted policy allows our limited natural resources to be exploited and consumed by foreign powers. If we had a low tariff, we could conserve foreign resources and conserve our own.

(4) The farmer is subject to the same law of real wages as the working man, and he should be interested in a high

## Moves Office to Seattle

**New World Life Leaves Spokane—  
Lease Two Floors in Fifth Avenue  
Building**

SEATTLE, Sept. 18.—Removal of the home offices of the New World Life from Spokane to Seattle was announced here following the signing of a 10-year lease by which the company on March 1 will take over the entire second and fourth floors of the Fifth Avenue building. Extensive alterations will be made in the Fifth Avenue building which will be renamed the New World Life building.

The New World Life has maintained its home office in Spokane since its organization 20 years ago. Offices will be continued at Spokane as a branch headquarters. The company has assets of \$10,000,000 and \$50,000,000 of insurance in force and operates in 11 states. John J. Cadigan is president of the company. More than 50 percent of the Washington business is in Seattle and Tacoma.

In announcing the removal, President Cadigan said: "Seattle was chosen for our new home offices because it is the natural center for our expansion program which aims at the entire Pacific Coast. We preferred to remain in the state in which we originated rather than to go into California or the east."

Entrance of the New World Life into Seattle gives the city four life insurance companies. Those already here are the Northern Life, the United Pacific Life, and the Northwestern Life & Accident Association.

real wage. If American farmers cannot compete with foreign farmers they should change their methods or their crops.

(5) Standard of living is based on real wages rather than money wages.

(6) It is not the intention of the free traders to reduce the tariff all at once. A gradual reduction will allow for readjustments.

#### Question 5

(a) To what different factors do you attribute the economic insecurity of labor? (b) Point out how the life insurance institution may help to overcome each of these.

#### Answer

Labor is economically insecure because its earning power and continued employment are subject to general business conditions or lost through disability and death.

If depression overtakes the country, labor is the first to suffer through unemployment and lowered wages. This is a condition beyond the control of the working man. This depression may come from a variety of causes, such as a panic, war, weather, epidemics, legislation, etc. Disability or death affect immediately the individual worker and family even more disastrously than general depression.

Life insurance can alleviate all these conditions for the individual or the group by its indemnification of loss of earning power by death, while the disability features of life insurance will provide an ideal safeguard against the loss of earning power by disability.

Also in the event of depression and loss of employment or the loss of employment through old age, the reserve values built up in the policy by the insured give him a fund to draw on when most needed, wholly independent of his employment conditions, available on demand, at a low rate of interest, and with favorable repayment provisions.

(These questions and answers will be continued next week.)

#### Provident Life Convention

A group of 150 star field men of the Provident Life & Accident from 30 states held a three-day sales convention at Lookout Mountain, Tenn., last week.

**Mention  
The National  
Underwriter  
when writing  
for a free copy  
of  
"The Lincoln  
Life Man."**



INS. LAB <sup>B18</sup> SEP 26 1930  
**1st Convention Daily**

# The National Underwriter

LIFE INSURANCE EDITION

WEDNESDAY, SEPTEMBER 24, 1930

## SPLENDID GENERAL AGENCY OPENINGS

Excellent territory for new general agents is now open in portions of Pennsylvania, Indiana, Illinois, Oregon and several other States.

If you possess the qualifications necessary to build up a successful general agency, we are in a position to offer a most liberal agency contract with long renewals.

THE PACIFIC MUTUAL LIFE INSURANCE COMPANY is the only large, old-line life insurance company issuing all these popular contracts:

NON-CANCELLABLE INCOME POLICY

MULTIPLE PROTECTION POLICY, "it pays 5-ways"

THE NEW TERM EXPECTANCY POLICY (low rate)

THE NEW FAMILY INCOME POLICY

More than 50% of our sales during recent months have been on our new **Term Expectancy** and **Family Income Policies**.

We also issue a broad line of **ACCIDENT** and **HEALTH POLICIES**.

For further information address

**ARTHUR C. PARSONS,**

Vice-President and Superintendent of Agencies.

---

**The Pacific Mutual Life Insurance Co. of California**  
LOS ANGELES, CALIFORNIA

# Climbing to Success

**T**HE RECORDS in our Agency Department tell and retell in actual production figures how life underwriters are climbing to success with the Massachusetts Mutual.

One of the oldest Life Insurance Companies in the United States, the Massachusetts Mutual has created throughout the country a personality of strength and friendliness. It is consistently progressive and is growing rapidly. Its friends are everywhere, and are ever ready to testify to the faithful and efficient service that it always renders. Its representatives enjoy in full measure the necessary counsel, co-operation and service to make every relationship a definite advantage.

We have room for progressive young men who would like to climb to success with the

## Massachusetts Mutual Life Insurance Company

Springfield, Massachusetts

*Organized 1851.*

*More Than Two Billion Dollars of Insurance in Force*



# The National Underwriter

## LIFE INSURANCE EDITION

### Aces of Two Nations are in Action

#### Pittsburgh Gets 1931 Convention

Executive Committee Accepts  
Formal Invitation Presented  
By W. M. Duff

#### FRISCO BIDS FOR 1932

Chicago Sends Invitation For 1933—  
Mid-year Meeting Will Be Held  
in Washington, D.C.

Convention Headquarters,  
Royal York Hotel, Toronto, Sept. 24

The 1931 convention of the National Association of Life Underwriters will be held in Pittsburgh. That was the decision of the executive committee at its pre-convention Tuesday, when the invitation of Pittsburgh was unanimously accepted. No other city was in the field for the convention. Although it has been laying its plans for the 1931 meeting for nearly a year, Pittsburgh had no representative on hand when the question of the selection of the next meeting place came up at the executive committee meeting Tuesday morning. The invitation that had already been extended was accepted however, and when William M. Duff, president of the Edward A. Woods Company and secretary of the American College of Life Underwriters, arrived Tuesday afternoon and presented the formal invitation, the acceptance was renewed. Two representatives of the Pittsburgh association flew to Toronto in a plane carrying big banners announcing Pittsburgh's candidacy and were present at the convention session proper on Wednesday to present their case.

It was decided to hold the mid-year meeting in Washington, D.C., the week when the Chamber of Commerce of the United States holds its annual meeting in that city. This was done on motion of Franklin W. Ganse of Boston, national councillor in the U. S. Chamber, emphasized the desirability of a closer contact between the life underwriters and the business men of the nation generally, which could be obtained by holding the meeting there at that time.

#### Renews Invitation of San Francisco for 1932

San Francisco's invitation for 1932, which was presented at the Washington meeting last year, was renewed by E. L. Woodruff of that city and was seconded by Frank E. McMullen of Los Angeles, former national president, after an exchange of friendly banter as to the respective merits of their cities.

W. C. F. Axelson of Chicago, invited  
(Continued on page 28)

#### Share Convention Honors



T. S. WHATLEY, Chicago  
President National Association



ROBERT MACINNES, Saskatoon  
President Canadian Association

### Three Steps are Taken for Extending Service

Three important steps toward extending the service rendered by the National association to its local units, all in line with recommendations made by Roger B. Hull, managing director, in his annual report, were taken by the trustees at their pre-convention meeting Monday.

The one of probably the most interest was the approval of the plan for traveling schools, to be conducted under the auspices of the National association, with James Elton Bragg as director. The plan contemplates the holding of a two-day school each week through the winter in a different city.

#### Summer Sessions Will Stretch Across Continent

If the cities can be reached by an overnight trip from New York, the schools will be held on Thursday and Friday. If not, they will be on Friday and Saturday. A series of ten schools lasting one week each will be held through the summer, stretching clear across the continent to the Pacific Coast.

An interesting list of subjects, all of which will be of great value to the life underwriter, has been prepared for presentation in these schools. They will not handle the strictly elementary subjects, which it is felt could best be given in company or agency schools, nor will they on the other hand attempt to give any of the really advanced instruction such as required for the C. L. U. degree, but will cover points which are of interest to underwriters of every type, young and old, beginners and veterans.

Another move of almost equal inter-

est was the decision to employ Mrs. W. S. Pritchard, of Garner, Ia., chairman of the insurance committee of the department of the American home, Iowa Federation of Women's Clubs, to devote her entire time to presenting the place of life insurance in the American home to the women and women's clubs of America. She will take up her work about Oct. 15. Mrs. Pritchard has already done some notable work in that connection, not only in Iowa but in the General Federation of Women's Clubs, pressing home the need for life insurance and its part in safeguarding the home. She has spoken before a number of local associations and also gave an address on her work at the mid-year meeting of the executive committee of the National association in Chicago last year.

#### Life Insurance Exhibit For Local Units' Use

The third recommendation adopted was one for the preparation of a life insurance exhibit, which can be made available for the use of local associations and agency organizations, for display in bank and trust company windows or in vacant stores, or for display at conventions of business organizations, service clubs or women's clubs.

Mr. Hull in his report, while stressing the desirability of action along these lines as soon as it could be arranged, had expressed some doubt as to whether it would be feasible to take up these projects just at this time on account of financial conditions. The trustees felt, however, that their importance in arous-

#### Swing Into Big Three Day Meet

Canadian, U. S. Life Underwriters  
Hear Foremost Producers  
and Critics

#### MacINNES HOLDS GAVEL

Gerred's Playlet, Addresses by Gay,  
Morrell, Dunham, Foster, Bragg,  
L'Esperance Feature First Day

Convention Headquarters,  
Royal York Hotel, Toronto, Sept. 24

With the deep convention hall of the Royal York hotel filled to capacity, the 1930 international gathering of Life Underwriters is launched upon what promises to be one of the most fruitful sessions in the history of the organization. When the registration desk closed Tuesday evening, nearly 1,000 leading producers from Canada and the United States had appeared. There was a great descent upon Toronto Wednesday morning by motor and train, so that the final registration is expected to run well over 1,500.

The convention session opened Wednesday morning with Robert MacInnes, president of the Life Underwriters' Association of Canada, presiding. By his side was S. T. Whatley, president of the National Association of Life Underwriters.

After an exchange of greetings and responses, the convention was highly entertained by the performance of "Life Underwriting; Yesterday, Today, and Tomorrow," a playlet, of which Fred C. Gerred, of the London Life in Toronto, is author.

#### Plays Up Evils of Bitter Competition

In blank verse, the evils of twisting, rebating and other scurrilous practices were graphically portrayed. A prospect is beleaguered by an assortment of agents, all of whom depreciate their competitors' companies with the result that the prospect refuses indignantly to buy any insurance.

In contrast with this depressing scene, is the picture in which a business man is haunted by "senility," "old age" and "death." He is approached, inter-

(Continued on page 31)

ing greater interest on the part of the local associations and demonstrating the service which the National association is prepared to render was such that they would bring good returns in increasing the membership in the National and local associations, and that they would be a good investment from that standpoint.

## Report Is Made On Year's Work

President Shows Membership at  
Highest Point and Financial  
Deficit Wiped Out

### GAINS ARE CONSOLIDATED

Slogan Adopted in Washington for  
Current Year Carried Out in  
Actual Results Obtained

By S. T. Whatley

#### President National Association

Such stupendous strides had been made by our association that I felt that I could do nothing better than to carry on some of the constructive plans which time had prevented preceding administrations from completing. I am convinced that definite progress has been made in many directions, but, measures of far-reaching importance are not accomplished lightly, and it is probable that many future administrations will make their contributions before our aims are realized.

#### Membership

Those of you who were at Washington may recall my brief remarks when presented to the convention as your new president. There came upon me a deep realization of the definite progress which had been made under the able leadership of Julian Myrick and Paul Clark, and I seemed to sense the necessity for very conscious effort on the part of all those associated with me, to prevent any reaction or relapse from the peaks which had been scaled. It was, therefore, not without deliberate and careful thought that I took as my slogan, "Consolidating Our Gains."

You can easily understand, then, the satisfaction which came to your national officers, in the membership figure with which we closed our fiscal year, June 30—18,415—the highest membership ever recorded for an association year, in the 41 years of our history. To have pressed forward, even to a new peak, over the "drive" figure of 1929, without the widely apprehended lapsed which usually follows a high-pressure campaign, and especially in a year of unsettled business conditions, goes far to demonstrate, it seems to me, that the value of our movement to the life underwriters of the country is increasingly appreciated.

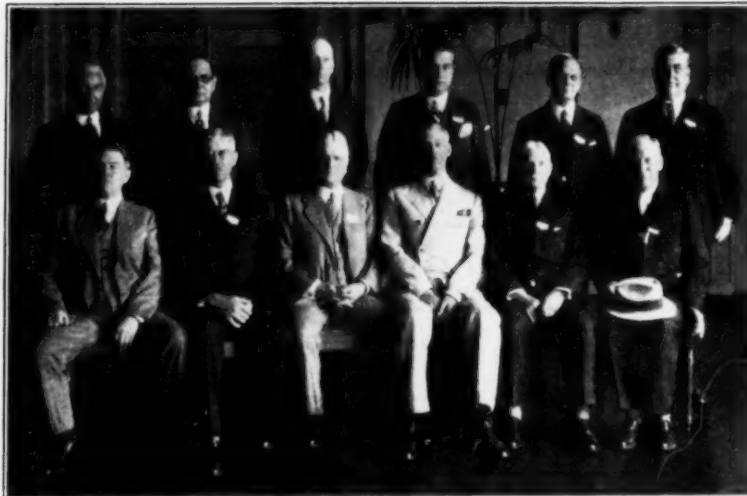
#### Association Finances Put on Sound Basis

Two years ago, following the first full year of the so-called "reorganization," we suffered an operating deficit of about \$7,800. This was made up by the contributions of about 180 underwriters all over the country who had generously underwritten any possible deficit which might result from the reorganization and expansion program, for a period of five years. But your trustees and officers were decidedly unwilling to rest content with any such "parasitical" existence and with the splendid co-operation of our headquarters staff, we set about the business of producing black figures. In the year which closed June 30, 1929, the red figure of \$7,800 had been turned into a black figure of \$2,300, and I am delighted that in his report to this convention Treasurer Jones will show an operating profit for last year of about \$8,000.

#### Consider Further Expansion of Service to Local Units

With this substantial addition to our surplus, it seems to me that the time may now be ripe for the consideration of further expansion to our service to the local units and to the membership at large. While it is true that any busi-

## National Association Presidents



The Toronto convention was marked by the largest attendance of past presidents of any ever held. There were 13 of them on hand, not counting S. T. Whatley who becomes an "ex" at the conclusion of this meeting. A. O. Ellason of St. Paul arrived too late to get in the picture taken at the close of the executive committee meeting held on Tuesday. Those shown above are:

Front (left to right): Frank E. McMullen, Los Angeles; John Dolph, Washington, D.C.; E. J. Clark, Baltimore; J. K. Voshell, Baltimore; John L. Shuff, Cincinnati.  
Back: Julian S. Myrick, New York; Lawrence Priddy, New York; J. Stanley Edwards, Denver; Paul F. Clark, Boston; Graham C. Wells, New York; Neil D. Sills, Richmond, Va.

ness enterprise must be run on a sufficient margin of safety to assure its steady continuity even in dull times, it must be remembered, nevertheless, that we are a service corporation, organized not for profit.

It would be unfair to our staff at general headquarters if I should not give them their full share of credit for making it possible to report this gratifying profit. From Managing Director Roger B. Hull, Assistant Managing Director Max L. Hoffman, and Wilfred E. Jones, all the way down to the office boys, we have received a brand of the finest kind of "team work" possible. Many splendid economies have been practiced without diminishing the effectiveness of the organization. Careful study has resulted in greater efficiencies in the office, and through it all, these members of our staff have given long and faithful hours—not just going through the motions, but with their hearts in their work.

#### "Life Association News" Publications Department

In May, 1929, "Life Association News" appeared in a "new dress," from camisole to cloak. The process of rejuvenation has been continuous ever since, and the response from our readers and members all over the country has been tremendous. The "News" is our official organ, and can be made anything that our members want it to be. It is a splendid vehicle of expression on life underwriting problems now. It should even become better, as you offer comment and criticism.

The process of reorganized financial operation was nowhere more conspicuous in its effect than upon our so-called publications department. In 1927 the publications department showed an operating loss of \$2,191; 1928 a loss of \$3,798, and in 1929 a loss of \$4,271. It is especially gratifying, therefore, to record an operating profit for "publications," for the year just closed, of \$423.

#### American College Increases Usefulness

It is gratifying to note that the number of alumni of this institution has doubled since our last annual meeting. We believe that the usefulness of the

college will increase in the rapid proportion of the increase in the number who now hold and will hold the designation. Our association will always be found wholeheartedly supporting the college because it stands for better equipped life insurance salesmen.

Especially during the two last preceding administrations had we been deeply concerned in the cause of institutional advertising. Under the conscientious and able leadership of Julian Myrick, your committee has continued its steady efforts toward the end that the great institution of American life insurance might be more generally understood and generously appreciated by the public. Many individual units in different parts of the country have made definite progress along this line. I have confidence to believe that the day is being advanced, when the gospel of our great institution will be widely and intelligently preached to the American people.

#### Speakers Furnished For Sales Congresses

Local association programs and district sales congresses have been increasingly the concern of our national headquarters. This phase of our work has been fostered particularly along two lines. Approximately 100 speakers have been furnished through the co-operation of the New York office, and four or five sales congresses were virtually staged through the same centralized direction. I cannot urge too strongly that local officers and program chairmen turn more and more for suggestions and specific aid to the central office. We have talked for years about the creation of a national speakers' bureau, and I feel that that is substantially what we now have in full operation in New York, although it may not have an individualized entity as such. With the "local program material" which Mansur Oakes, as our field consultant, has worked out, and with the splendid work along this line which Miss Macfarlane of New Orleans is doing, with her committee on education, this very important phase of local association activity is becoming increasingly useful and productive.

Then, too, the Life Insurance Research Bureau has been more than

generous in placing at the disposal of our local branches, through the vision of the New York office, its splendid and comprehensive slide film series. These film demonstrations of practical selling principles and ideas are available for the asking and they have been used widely throughout the country during the past year, both for scheduled monthly meetings and in emergencies when speakers have "fallen down at the last minute." There is no reason why any association, from the smallest to the largest, should ever be without an interesting and worth-while program.

May I express the hope that this service will be taken advantage of to a much larger extent during the coming year. I really cannot understand how any single group of local association officers can fail to reach out and grasp this opportunity. Yet, I am advised that in spite of three or four bulletins having been sent to each unit, about this service, many associations have simply ignored it.

#### Advance Made in Local Association Leadership

In this connection, I cannot refrain from voicing also the hope that local association leadership will continue its steady and substantial advance which has been noted during the past three years—both as to its calibre and the intensity of its sacrificial service. With the marked extension of service which is being made available from national headquarters, it becomes increasingly a problem to secure the type of local leadership which will take the time and which will have the ability to use effectively the proffered advantages. If the national body offers little or nothing in the way of service to its 220 local units the problem of local association leadership remains primarily one of concern with local problems and necessities. On the other hand, expanding activities cultivated and promoted by zealous and self-sacrificing national officers, find an entirely inadequate outlet and expression, unless local officers, in turn, make application for and of the extended program.

#### New Manual of Local Association Practices

We have had this very thought in mind, in preparing for distribution following this convention, a "Manual of Local Association Practices." Issued in the loose-leaf form, this should constitute and become the "Bible" of local practice. The attempt has been to gather together the plans and devices which have worked all over the country and to make them available to all local units. It has been possible to prepare only five or six chapters for distribution at this time. Additional sections will follow during the year, and every local officer and every member is especially urged to criticize and supplement the Manual suggestions so that it may become in very truth an effective working program.

May I revert to our finances for a moment, to remind you that during 1928 and 1929 when our reorganization and general headquarters was being effected, our association showed an operating deficit and some of our loyal members made a donation of about \$6,000 to cover this item. Your officers and trustees have felt that this money, even though a donation, should be returned to the donors, and I am happy to advise you that out of the successful operation of last year these contributions have been returned to the original donors.

July 31, 1930, marked the passing of Homer O. Wilhelm, fourth vice president of the National Association at Omaha, Neb. In the death of Mr. Wilhelm the National Association of Life Underwriters lost a valuable officer and the entire insurance fraternity lost a man who had been a credit to the business.



## Ganse Reviews Trust Trends

Settlement Option Problem May Soon Be Solved, He Says

### ARMONY WITH BANKS

American Bankers' Association Expected to Frame Statement Which Insurance Companies Can Endorse

An interesting summary of the year's developments in the field of insurance trusts was given by Franklin W. Ganse of Boston in his report for the committee on co-operation with trust companies.

In connection with the proposed joint statement with the trust companies regarding the advantages of an insurance trust, he stated that approval of the statement had been held up because the original statement approved by the trust companies and tentatively approved by the executive committee of the National association at its mid-year meeting contained no reference to company options as an alternative method for safeguarding estates.

He pointed out that there are many cases where the settlement options in the policy offer a more satisfactory arrangement and very many cases where the amount is so small for a life insurance trust. He stated that of the \$1,000,000 of life insurance now in force, about 15 per cent is under company options and only 2½ or 3 per cent under trusts, leaving plenty of room for the extension of either plan.

### Expects Statement from Trust Company Interests

The trust company committee of the American Bankers Association, headed by C. Allison Scully of the Bank of Manhattan Trust Co., New York, is meeting in Detroit the last half of this week and the general meeting of the A.B.A. is to be held in Cleveland this week. Mr. Ganse expressed the belief that at these meetings a form of statement would be adopted by the trust company men which will be entirely satisfactory to the life underwriters.

In referring to the present status of life insurance trust business, he pointed out that it had its real beginning only six years ago, but that it is now a part of the regular diet and that it is still just as good as when it was new and the life insurance men were all getting excited about it.

As an evidence of the co-operative spirit between the two classes he referred to the new book on life insurance trusts recently issued, which was prepared jointly by Mr. Scully and Mr. Ganse.

One of the most important developments cited was the new New York estate law, under which life insurance payable to a named beneficiary is taxable. He characterized it as decidedly unjust. Six other states already had such laws, but with New York added to the list the situation becomes much more serious. With New York furnishing at least one-third of the estates of the country in point of volume, he declared that steps should be taken to fight such a law.

Michigan is now taxing life insurance left in trust as part of the estate and Ohio has endeavored to enforce such a tax, but has now decided to await further legislative action.

He referred to the plan adopted by one of the New York trust companies under which the funds of life insurance trusts are handled through what is

(Continued on page 28)

## Million Dollar Writers Tell How They Did It

In spite of the early hour set for the million dollar round table breakfast, 8 o'clock, nearly 50 were on hand for that session. Chairman Earl G. Manning, of Boston, first introduced President S. T. Whitley of the National Association, who said that his only chance to attend one of these sessions was as a visitor. He paid high tribute to the men who control the group.

Managing Director Roger B. Pillsbury was introduced and spoke very briefly.

One notable feature of the session was the presence of a million dollar producer from New Zealand, L. F. Lowndes, who undoubtedly traveled the farthest of any attending the convention. Miss Sara Frances Jones, with the Equitable Life of N.Y., in Chicago, was the only woman at the round table session.

### Manning Tells of His Advertising Method

In opening the session, after announcing the plans for the round table, the chairman plunged at once into his subject of life insurance advertising. He had distributed a portfolio containing samples of some of the advertising he has used and referred to them as he proceeded. The direct hits made from this advertising have produced business from \$750,000 to \$1,000,000 per year.

At the conclusion of his talk, Mr. Manning spoke of the service rendered at previous sessions of the million dollar round table by last year's chairman, George E. Lackey, of Oklahoma City, and then presented to Mr. Lackey a gavel, suitably engraved, which he said Mr. Lackey would soon have occasion to use in a wider field.

### Bender and Weems Only Morning Speakers

The first speaker called on by Chairman Manning was H. A. (Hi) Bender, general agent of the Massachusetts Mutual in San Francisco, who told of an unusual \$1,500,000 case he closed recently and also described some of his unique publicity methods. R. A. Brown, of the Pacific Mutual, Los Angeles, showed that the Californians will stick together when away from home, telling something of Mr. Bender's life history and the high esteem in which he is held.

Sam. R. Weems, of the Minnesota Mutual, at Dallas, Tex., the only other

speaker at the morning session, told of a recent claim payment in which a \$100,000 policy he had written was practically all that was left to the widow of a man who was supposed to be in an impenetrable position financially.

### Afternoon Session Divided Into Two Sections

The round table adjourned at 10 o'clock in order to give everyone an opportunity to take in the playlet given as a part of the main convention program, resuming after lunch. The afternoon session was divided into two sections, one on "Estate Engineering," in charge of Clinton Davidson, president of the Estate Planning Corporation, New York, and "Business Insurance," conducted by Theodore M. Riehle, of the Equitable Life, New York City. Each of these sessions lasted for about an hour.

### Would Put Percentage of Income Into Advertising

In presenting his advertising idea, Mr. Manning said:

"My theory of advertising for men of our type is that when you get above the wages class in life insurance, the life insurance man ought to lay aside a certain proportion of his gross income to advertise himself, no matter what his company does. We being, shall I say, of a little higher order in earning capacity and achievement, I think should personally do the same things which the big concerns are doing and using in their business.

"I should say that the life underwriter who today can make enough so that he can live decently ought to put not less than 5 per cent of his earnings back into advertising himself, and perhaps 10 per cent. For the last five years, 10 per cent of my earnings have been put into advertising, to advertise me personally. Of course I use, if I can, such things as my company provides, and I also get out a lot of personal stuff myself.

"I started about five years ago with a list of 300, about half of them were policyholders and the other half were those that I hoped would be. That list has now grown until I think it is very close to 900. These blotters (in portfolio form, distributed at session) are four different kinds which have gone

out in the past six months. I make a practice, about every third month, of having a four-page leaflet which follows up the material in the blotter and which usually has a coupon for the people to use to ask for the piece of literature that they want.

### Different Forms of Advertising Space Used

"About five years ago I started doing some space advertising. Newspapers are too expensive, so what I did was to take first the Boston Symphony Orchestra program which reaches about 8,000 people on the Friday afternoon and Saturday evening concerts. I had a half-page advertisement in that, which costs about \$350 for the year. Then I took the City Club 'Life,' which is a big city club in Boston of about 8,000 members, and I have used the advertisement which you see on the inside cover of this portfolio. That costs, as I remember, about \$26 or \$27 per insertion, and I run it about ten months in the year. Then I have the same thing in the Advertising Club of Boston, of which I am a member. Now I am taking on the Chamber of Commerce Bulletin, which hits about 10,000 more. I think last year my appropriation for space was about \$1,850, and the blotters ran about \$1,000, and I think probably I spent about \$1,200 or \$1,500 more. So that I think my total advertising appropriation last year was a little under or a little over \$4,000.

"Does it pay? To one of the advertisements which I had in February in these publications I had 36 replies, and the resulting commissions, up until the time this thing was printed, which was along about June 1, I could definitely place over \$2,200, in two commissions, which more than paid for my whole advertising appropriation during the year. I should say that I have got probably \$250,000 worth of business, up to date, from the blotters and the others. Just before I left I had a reply from one of the advertisements which was put in in February in the City Club Life. I had never seen the man before. So that you see these advertisements do live several months after their insertions.

"There is no question in my mind as to the soundness of this practice of advertising."

### Tells of Results From Advertising Scheme

Mr. Manning then read the text of a beautifully printed booklet which he is sending out to a selected list of clients, explaining his service of "estate engineering," and the relation between life insurance and trust companies. The last page contains the endorsement of life insurance secured by President Smith, of the New England Mutual from the presidents of six large Boston banks, with facsimile reproductions of their signatures.

In discussing it he said: "I do not know what reaction the public of Boston is going to have to that document. They may think I am a little egotistical in stating I am as good as I say I am. I am going to interview these gentlemen, and my two secretaries will arrange appointments. I am going to be so busy that I will not be worrying about any depression, and I will get after these clients and see what is what.

"This is the way this works in my mind. About four or five times a year a document somewhat similar to this goes out. You can take my statement for what it is worth, that I think today 70 or 75 per cent of all the new business that I close, that is not directly associated with an inventory check-up of the trusts which I have already created, comes through such avenues as these. Some say that it is a lazy man's way of doing business, but I never thought advertising was lazy.

"An advertisement that I released recently for four publications was headed 'Estate Engineering, a Recent Result.' It goes on something like this:

(Continued on page 32)

## Round Table Leader



THEODORE M. RIEHLE, New York  
Equitable Life of New York



CLINTON DAVIDSON, New York  
President Estate Planning Corporation

## Advertising By Companies Weak

Committee Asks Home Offices to Reinforce Campaigns by Agents

### SHOULD INTEREST WOMEN

Declares Banks and Trust Companies Have Stolen March on Insurance Companies

After reviewing the years of effort on the part of the National Association in promoting life insurance advertising, the committee on institutional advertising urged that the companies appropriate more generously for spreading the gospel of insurance, for propaganda in behalf of longevity, and for building resistance to improper taxation of insurance. The committee also advocated specialized advertising to attract the interest of women. Julian S. Myrick, a past-president of the National Association, general agent for the Mutual Life of New York, in New York City, presented the report as chairman of the committee. The report is presented herewith.

The report of your committee at this meeting will seem to be perhaps too strangely similar, in effect and even in language, to that submitted at the mid-year meeting last March. But while your Committee may have been more or less inactive since the date of that last report, it feels that the situation warrants the making of a rather full report at this time, from two angles. First, because of the desirability—we believe, the necessity—of keeping this important subject in the forefront of our consideration, and secondly, because we feel that distinct progress has been made along at least one line in the working out of this problem.

In our last report we stated that it was our belief that the question of institutional advertising had been squarely and properly placed before the heads of the life insurance companies, who, collectively and individually, are responsible for the proper conduct of the institution; that we could simply continue to recommend to them our faith and belief in the fact that they should, as soon as possible, send representatives to sit around the table and give fair, frank and open discussion to a comprehensive programme, along the lines suggested by the joint committee, which was then before them.

#### Local Campaigns Depend On Company Advertising

We then stated our conviction that, should a campaign of institutional advertising be inaugurated by the companies, it would be vigorously and effectively supported by life underwriters through campaigns of local advertising in their respective communities subscribed to by local underwriters, and executed through the medium of the daily and weekly press in various localities.

Significant developments have eventuated in connection with this last referred to phase of the situation, within the past four to six months. The local life underwriters have not waited for the company campaign to get under way nationally. In three of the larger cities, and in several smaller communities, local campaigns have been launched and are now under way. Pittsburgh, Washington, Denver and New York have all four, under the banner of the local underwriters association, and after a most careful and thorough research entered upon a campaign in the respective local press mediums, which has aroused even a national interest. Your committee believes that the material which is being used in these campaigns has been admirably constructed and it is to be

regretted that we cannot furnish each member of this committee with a full portfolio of the copy. Steps are being taken to gather it together at our New York office, however, so that it can be made available to all other units.

While we dislike to be forever harping upon the single string, your committee cannot too strongly urge the extension of these local efforts into a campaign of national significance.

#### Last Two Years Have Seen Great Progress

It seems to us that more progress has been made during the past two years toward bringing institutional advertising about than ever before and we should continue to give our undivided support to the advertising committee of the Life Insurance Sales Research Bureau, which is composed of: M. A. Linton, Provident Mutual, Chairman; Philip Burnet, Continental American; W. W. Jaeger, Bankers of Iowa; Frank L. Jones, Equitable of New York; K. A. Luther, Aetna.

Looking back over the records of this association as far as the National convention held in Chicago in October, 1911, the question of institutional advertising was discussed and the idea favorably received. A resolution was passed endorsing the idea for the "conservation of health and all that makes for favorable life insurance publicity and larger social service by the life insurance companies to the policyholders and the public at large." Associations in different parts of the country took up the idea and passed resolutions.

Again, at a meeting of the National Association on October 15, 1912, the National Association adopted a resolution of which the following is an excerpt:

Resolved: That the president of this association appoint a committee of five with power to confer with like committees of any other insurance bodies, to devise ways and means for greater publicity in life insurance, for some non-partisan campaign of advertising and conservation, and for a concerted movement to inaugurate a campaign of education through lectures or addresses and through general adoption of educational opportunities for the younger generation.

Resolved: That the adoption of this resolution carry with it the power to act on any plan approved by the executive council of this association, whether in conjunction with such other bodies or an independent movement inaugurated by this association.

#### Executive Committee in 1913 Made a Proposal

Again at the meeting of the executive committee in 1913, we find that the committee should be known as the committee on education and conservation, and so on, year by year, we find in the records of the association much thought and attention having been given to the matter of furthering the education of the insurance public from a non-partisan source so that the institution of life insurance might render its full service in protecting the insurers for the benefit of our country.

Bringing the campaign up to date, we find in Memphis, in 1927, that the newly elected president emphasizes the necessity of an institutional advertising campaign sponsored and directed by all of the companies and supported by the agency organization.

President Paul F. Clark made it one of the major policies of his administration to further this idea.

In the meantime, a group of companies having raised a special fund to do some research work as to the advisability of institutional advertising, appointed a committee to administer the fund and prepare a report with recommendations.

The main task of the committee was to get facts to enable it to ascertain whether a campaign was desirable and to consider other means of solving the problem of life insurance distribution as compared with co-operative advertising.

The main problems were grouped under six headings:

- 1: How to secure more new business.
- 2: How to secure a better type of agent both by improving the men now under contract and getting new agents of higher calibre.
- 3: How to reduce terminations.
- 4: How to reduce unit costs.
- 5: How to reduce political interference.
- 6: How to produce longer life.

#### Research Bureau Made Study of the Report

As a result of this study, Report No. 34, dated October, 1928, was made by the advertising committee of the Life Insurance Sales Research Bureau. Anyone who studies this report will come to the conclusion that a thorough analysis of the problem has been made and a sound foundation laid for a correct conclusion.

Your committee on Institutional advertising was invited to sit in with the advertising committee of the bureau and we had numerous meetings in which the information we had on hand was freely given to the committee, a final conclusion was reached and recommendations made to the companies along the lines mentioned in this report.

From the point of view of the men in the field, it is the unanimous opinion, expressed individually and collectively, that institutional advertising should be undertaken by the life insurance companies. There is hardly an association that has not expressed itself by resolution as being in favor, and urging the companies to adopt the plan. All the leaders of the National Association for the past twenty years have recommended it and believe in the necessity of working out this plan, but it has only been since October, 1928, that it has been put down in convincing form in the report of the committee on advertising of the Research Bureau.

Life insurance has achieved, through the inception of the committee on education and conservation by our association, nearly twenty years ago, the tremendous spirit of co-operation and better understanding which has been increasingly evident throughout the nation and the field forces of the various companies; yet the companies collectively have never backed up this work by creating in the public mind the proper conception of life insurance as an institution and what it has done, is doing and will do toward safeguarding the economic welfare of the nation by the investment of the policy reserves and in protecting the home and the business enterprises against the loss of manpower.

#### Insurance Fails to Get Its Share of Income

We find that over the last twenty years, the percentage of the national income devoted to life insurance premiums has increased only from 2 per cent to 2.7 per cent. This increase does not compare with other lines of industry. Then in the last ten years, most of the advertising for life insurance has been done by the banks and trust companies throughout the nation. This has not been done for the benefit of the life insurance companies or agents but with the belief and understanding that it would render a public service by urging individuals to increase their life insurance and trusteeing it through the banks and trust companies. The co-operation which they have offered and the help which they have given should always be appreciated and should be met with open-hearted faith and confidence, and the national bodies as well as the local units of the two organizations have done everything possible to set up a plan of proper co-operation so that, in serving the public, they would be of tremendous assistance one with the other.

But through this process of our business being advertised by banks and trust companies, we have lost something; we

have not told the insuring public the policy contracts give them the right under modes of settlement, to distribute the proceeds of life insurance policies with little, if any, chance of loss of either the principal or income and the many other advantages which such a plan presents in connection with the execution of any other distribution. Our companies, as a whole, have not impressed upon the nation the necessity of taking care of its health, which, in combination with keeping its insurance in force, and living long, will bring down, as will no other one factor, the cost of life insurance. Our companies have not impressed the public mind with the fact that life insurance is a great co-operative undertaking, which should not be treated as a mere business, paying the administration of the state in giving it supervision and not used as a measure of income to pay the cost of public and political institutions, and the many other points which have been developed so ably in Report No. 34.

Inasmuch as about 85 per cent of the national income is expended by women the importance of getting the subject of life insurance properly before them and training their minds insurancewise can be readily realized and it is not difficult to appreciate the results which institutional advertising could accomplish in this direction. The institution of life insurance is not presenting its claim sufficiently to the large body of women who control such a large proportion of the expenditure of the national income. The average woman appears to be opposed to life insurance because she does not properly understand what it will do for her home and her children. A great mission of education is possible in this connection.

W. F. Thorne, assistant superintendent of industrial agents for the London Life, is a popular figure in the lobby.

## Host in Toronto



A. E. RUNDIE  
President Life Underwriters Association of Toronto



# NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES OF AMERICA

Albert M. Johnson  
*Chairman of the Board*

Robert D. Lay  
*President*

**Established in 1868**

**But in tune with the underwriting spirit of 1930**

---

**A fine OLD company for ambitious YOUNG men**

---

**A few openings for men—**

**striving in the PRESENT with an eye to the FUTURE**

**Address: WALTER E. WEBB, Executive Vice-President  
29 South LaSalle Street, Chicago, Ill.**

**DIRECT  
MAIL  
SERVICE**



## Takes Look Into Business Mirror

**Aetna Official Cites "Reflections"**  
Seen There as Guide for Life Insurance

### LAW OF CHANGE SURE

**Must Meet New Conditions—Idea of Trusteeship and Three-fold Responsibility is Stressed**

By CLYDE F. GAY

Clyde F. Gay, assistant superintendent of agencies of the Aetna Life, has been with that company since 1924, serving in the group department at the home office, with the Campbell agency at Little Rock, Ark., the Hart & Eubank agency in New York City, and as superintendent of the southern division at the home office. He was appointed to his present position in February of this year.

Many times we fail to sell because we have not made the prospect understand what we have to say, exactly as we understand it. Our words have not conveyed clear pictures.

I feel that there can be a meeting of our minds by inviting you to take a frank look with me in the business mirror and study for a few moments the reflections—what we see there.

If our study is made with some knowledge of the past, an understanding of the present, and a keen personal interest in the future, this careful look in the business mirror will enable us:

- (1) To observe certain conditions;
- (2) To see a few facts;
- (3) From the conditions and the facts to secure for each of us individually a suggestion or two for our future profitable activity.

### Presence Indicative of Era of New Competition

In this business mirror we observe certain conditions. The first that forces itself upon us today is that we are not at work—contrary to our usual custom and wont—but that as commissioned life underwriters we are gathered here at our own expense to discuss ways and means of extending internationally the benefits of life insurance, and of doing a better job of making a living for ourselves and our families.

The fact that we are here is indicative of another condition, a universal business condition, an era of new competition it has been called. Time was when I, a life underwriter anywhere, looked upon the other representatives of my own company in my town or territory as my keenest competitors. Give them the benefit of any of my sales experiences or workable plans? Well, I should say not.

### Now Struggle of One Industry Against Another

Time was, and more recently, when I looked upon the representatives of other companies as my keenest competitors, but today because of our trade magazines, excellent books on every phase of life insurance, inter-company cooperation, the work of the Life Underwriters Association, local, national, and international, and because of meetings such as this one, this business stands pre-eminent among those in which the progress of the separate units or the several individuals is not based upon any trade secrets or special advantage.

The present struggle is no longer between those engaged in the same industry or field of endeavor, but rather there is a gigantic struggle of a whole industry against all other industry for a proper share of the consumer's dol-

lar. It is the radio industry versus the automobile industry; the artificial ice manufacturers versus mechanical refrigeration; each group pooling brains, problems, experience and money to secure a larger group-share of the available dollar.

### Law of Change is Immutable Law of Business

Both from these present conditions and from the history of business on this continent, our mirror reflects the fact that there is one immutable law faced by all business, and that is the law of change. "Eternal adaptability to changing conditions is the price of survival," says "Nation's Business," and we can add, "In the life insurance business as in all business."

The law of change is already operating in fields of human service, younger by many years than is the institution of life insurance. All these changes—some taking place and others prophesied—but not once in the last 100 years has any one even hinted that there was anything which could possibly be devised to take the place of the institution of life insurance in its function of creating estates and guaranteeing the fulfillment of human plans through a combination of its investing and protective elements. A comforting thought for the future of this business—isn't it?

### Life Insurance Held in Higher Public Esteem

Well then, since this law of change is immutable (we can't escape it) and since the future usefulness of the institution of life insurance is apparently certain, how then is it, the law of change, working in our business? If nothing is being created outside the institution to take its place, then the law of change must be working within the insurance business itself. Yes. We know that it is! Let's consider some of the major changes now taking place.

1. Those who have been long in the business will point to the present improved general understanding of life insurance and the higher esteem in which its present day representatives are held by the public at large. They will refer to the growing number of excellent editorials in newspapers, financial journals, periodicals such as the "Saturday Evening Post," "Magazine of Wall Street," "Better Homes and Gardens," etc., by which the public is being made more insurance conscious than it has ever been before. Aware of the benefits of insurance coverage—but surrounded as never before with the urge to have and to hold the many delightful and money-consuming luxuries of the present, and not anxious to do without any of them. A better informed public insurance-wise? Yes—but one less inclined to make sacrifices.

### Business Insurance Needs Thorough Preparation

2. Our sallies into the undeveloped field of business insurance are proving very profitable to some, but will continue to be only to the experienced insurance representative who prepares himself to get beyond the occasional key-man replacement, and partnership policy, into the more highly specialized stock elimination field, a field of endeavor in which the new man or the unprepared older man will not be encouraged to enter until he is capable. Too many men have taken a fling at this innovation of being a "business insurance specialist" only to find it beyond their depth, or willingness to prepare.

3. Likewise this same change seems to be apparent in the more sane approach on the part of both to a cooperative effort between life underwriters and trust company officers, to their mutual advantage. It is a joint effort that cannot be profitably undertaken without painstaking study on the part of both. We are fast being convinced that neither business insurance

nor personal insurance, administered by corporate fiduciaries or not, offer any "get rich quick scheme." We can't merely mouth the words of the comparatively few successful pioneers in these fields with no basic understanding of their meaning and application, and expect permanent and profitable results from going through the motions.

4. We can see a change in the selling of personal insurance, the garden variety of selling by which most of us make our livings, in the marked manner with which this better informed public discriminates between representatives of the same company or of different companies, picking the man to do business with who has better prepared himself to render worth-while individual insurance counsel and advice than the average.

5. While some large jumbo lines of individual insurance will undoubtedly be placed in the future, it seems apparent that they will be less in number than in the past. No man who expects to stay in our business can content himself with a decreasing number of larger sales yearly, or to express this change another way, the principal market for our product is now and will be for protection to families whose range of annual incomes is nearer \$5,000 than \$50,000. A range in which the monthly income option within the policy contract itself, or the specifically designed monthly income contract, will still be found functioning adequately and effectively for the administration of the insurance estate thus created.

### Stress Negative Side Less, Picture Benefits of Protection

6. In addition, we will quote less frequently as an interest arousing approach, the questionable figures regarding the almost complete dissipation of insurance funds within five years by widows incapable of handling money. We will not stress the negative side so much, poor judgment and lack of financial management on the part of beneficiaries; but rather, we will stress the positive side, that beneficiaries should not be handicapped by lack of funds. As some one has put the question, "After all is there much opportunity for 'real dissipation' when a widow is left only \$5,000 of insurance estate to cover the entire future needs of those within her care? Rather than the horrors of insurance dissipation, we will picture the happiness of these adequately provided for, with a monthly cheque from the insurance company, entirely free from any worry over investment or reinvestment, and enjoying the steady benefits of uninterrupted compound interest factors.

### Greater Reward to Man With Organized Sales Presentation

7. With all these changes the time and energy of every life underwriter are becoming more valuable, and greater reward will go to the man who has definite plans: (a) which will daily conserve both; (b) which will give him enough 'real prospects' to keep him busy, and by 'real' is meant those who need it, can pass the two tests, (1) physical, (2) credit and moral, and who can pay. Greater reward to the man whose sales presentations are organized, beginning logically at the beginning and going orderly to a climax which is an urge upon the prospect to buy—a pause long enough to give him a chance to buy—with as much attention to the action as to the diction; taking advantage of modern means to visualize the interview so that clear pictures can pass from salesman to prospect, for truly the era of the eye in selling life insurance is at hand.

### Acquisition of Knowledge About Business Not Enough

These are a few of the ways that this immutable law of change is working within our business. With Mr. Ford we can say, "We don't know what tomorrow is going to be like, but we do know

## Company Speaker



CLYDE F. GAY, Hartford  
Aetna Life

that it is going to be different from today." If we as individuals are to survive, we must be just as alive as is the business in which we are engaged, ready and willing to pay the price in constant study and self-improvement to keep up with its greater demands.

The acquisition of knowledge about our business, important as that is, is not enough. We must distinguish between the science of selling and the art of selling. Individually our art can be improved only through the repeated effort of applying the knowledge, putting the science of selling to work.

This illustration, I hope, will crystallize the thought. At close range the old Indian arrow was annoyingly accurate, but in competition with the bullet, is slowed down too soon. The arrow became obsolete, not because it didn't shoot straight, but because it didn't shoot straight, far enough.

### Sense of Trusteeship Big Force in Business Today

It may not be profitless to recognize today one of the principles which has brought about the change in all business, ours as well as others—not the outward semblance which marked the beginning of the change for us, a legislative investigation, but the underlying force (behind it at the beginning, and present, more so today) that nebulous thing which is creating the modern western business world.

For lack of a better designation may we say that it expresses itself today in that "sense of fair play" or "sense of trusteeship" in present business, which did not exist in the good old days of the past which appeal to the romantics.

Surely we can believe a hard headed business man like Owen D. Young, chairman of the board of the General Electric Company, and recently chairman of the international committee of financial experts, which considered the final settlement of Germany's reparations payments.

### Three-fold Obligation Is Cited by Young

Mr. Young has explained his own conception of what trusteeship in modern business is, after this fashion: "If I am on the board of an institution, my conception is that several groups of people have an interest in that institution. Those who have put their capital into it have an interest in seeing that capital honestly and wisely used. Those who put their lives and labor into this concern must make fair wages, and must have a recognized right to their

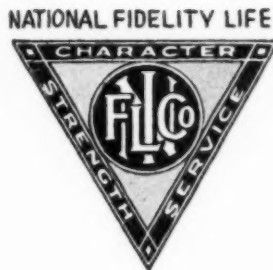


## Badges of Service



**Business Men's  
Assurance Co.**

*Midland Life*  
Insurance Company  
Kansas City, Missouri



# From *The Heart of America* GREETINGS!

"Come Again!" — our parting words four years ago when the National Life Convention was held in Kansas City.

"Come Again!" — our standing invitation to the National Life Convention.

In sending our greetings and assurance of our hearty support of the National Association of Life Underwriters, we want to reiterate again our invitation to the National Life Convention to come again to Kansas City not years hence but soon.

Located at the cross-roads of the Continent, many of you are this way at some time each year, so on these occasions as well, you are urged to visit us.

**Business Men's Assurance Company of America**  
*W.J. Grant ~ President*

**Kansas City Life Insurance Company**  
*J.B. Reynolds ~ President*

**Midland Life Insurance Company**  
*Daniel Boone ~ President*

**National Fidelity Life Insurance Company**  
*Ralph H. Rice ~ President*



jobs in which they have become skilled by educating themselves. Moreover, the customers should get its service at as low a price as possible, consistent with a fair return for invested capital and just wages for the employees. And, finally, the general public has an interest in seeing that the corporation is performing its duty as a good citizen.

"One no longer feels the obligation to take from labor for the benefit of capital nor to take from the public for the benefit of both. By and large, business today visits very quickly its own penalties on the dishonest man. It is not the crook in modern business whom we must fear, but the honest man who does not sense this three-fold trusteeship—who does not know."

#### President of American Life Convention Quoted

The president of the American Life Convention had this to say last year before the Detroit meeting of that convention about trusteeship as it affects the institution of life insurance: "I believe that the man who gets himself elected to a trusteeship in a life insurance company or in any other corporation for that matter, and then uses that place of responsibility for private

gain in which the other stockholders or policyholders do not equitably participate, is a worse citizen than is the petty thief who with a dark lantern and a jimmy enters your home in the middle of the night and plunders what few articles he may lay his hands on; the latter is petty larceny; the former is grand larceny within the meaning of good morals and trusteeship in business."

The progress of any particular company must be firmly built on this foundation of trusteeship which Mr. Young and Mr. Ayres have so clearly defined. There must be a proper balance of interest between policyholders in the one scale, executive and administrative employes in the home office and field in another, together with commissioned and general agents or managers in the third. And, finally, as Mr. Young said, the whole corporation with its three-fold responsibilities being administered in the interest of the general public, performing its corporate duty as a good citizen.

#### How Does Principle of Trusteeship Affect Agents?

If this, then, is true of the institutions we represent and of our respective

companies, how do we as field representatives fit into this picture? How does this principle of trusteeship affect us? And what are our responsibilities in consequence of it?

Is it not fair to say that the proper equilibrium of our interests in this trusteeship should be evenly balanced between (a) ourselves, including our families who look to us for the material things of life; (b) our company, and the particular general agency or branch we represent, through which instrumentality we serve the third group in our trusteeship; (c) our policyholders, conducting this three-fold activity in the knowledge that the general public has a right to see to it that we perform our duty as good citizens; that we are prepared to perform such duty.

It is not the crook in our business whom we need to fear, but it is the honest representative who does not recognize this three-fold trusteeship, who does not know.

#### Is Ability Being Used to the Best Advantage?

It is presumed that we are in the life insurance business to make a living for ourselves and our families; that that was the primary reason for our coming

into the business. Are we serving our families well in this trusteeship? Are they provided with the material things of life? If not, have we the capacity to secure those things for them in some other line of endeavor, or, can we make our own ability to better advantage in this business than in any other?

Are we willing to subscribe to the fact that our company is not a philanthropic institution, but that it must collect from good risks, the wherewithal to pay claims as they arise, therefore depending on us to seek out the better class of business, and to accept with good grace the decision that a given risk cannot be undertaken?

Are we prepared to secure business on the confidence of the prospect in our ability to serve him rather than on our ability to degrade the representative of another company which has just as much dollar for dollar to offer as we have? Have we, therefore, better prepared ourselves to render worth-while insurance counsel and advice than the average? Should not our competition be in the field of personal preparation for service to policyholders and prospective policyholders, rather than in the field of juggled figures and conflicting statements?

#### Laborers, Mechanics and Artists in Life Field

Much has been said and written in the past ten years about the professional status of our job, and I shall not quarrel with that thought today, except to offer the opinion that professionals or not, there are still among us laborers, mechanics and artists. An artist is one who feels his part in the trusteeship of his job, has put his heart as well as his hands and his head into the business, certainly a man who is happy in his work. Happiness in what we are doing brings the consummate touch of artistry, no matter what the job.

Some of us may never find our place in the trusteeship which rests upon our job as a life underwriter. The lone wolf certainly has not found his. Those who do not and stay on can soon be classed as laborers or mechanics, and the results will vary accordingly—in a few cases, not the results in income or production, possibly; but, in all cases, the results in personal happiness, certainly.

Is it too much to hope that a proper sense of our three-fold trusteeship in this business will give us the "proper purpose, and thus occupation which is the highest form of happiness?"

#### Lackey Served in Group to Develop American College

Guy MacLaughlin, of Houston, general agent for the Franklin Life, points out that if George E. Lackey is elected president of the National Association, Mr. Lackey will be the third president who served as a member of the committee appointed in 1924 to formulate the institution which developed into the American College of Life Underwriters. The others were the late George D. Alder, of Salt Lake City, and Frank L. Jones, now vice-president of the Equitable, of New York.

Mr. MacLaughlin is credited with originating the idea of the American College and with insisting upon its completion. He is now vice-president of the American College.

Glover S. Hastings, head of the agency department of the New England Mutual Life, who is a regular attendant at National association meetings, was one of the early arrivals, reaching Toronto Sunday.

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## Five-year Plans Moving Forward

Roger B. Hull, Managing Director, Reports Progress Made on Program Outlined

### ADDED SERVICE GIVEN

Some New Features Already Put Into Effect and Several Others Now Under Consideration

In his annual report, Roger B. Hull, managing director and general counsel, said:

"At Washington, a year ago, I submitted to the trustees, officers and members, in lieu of an annual report, a five-year program for the association—a pre-view of some of the things that might, in my opinion, be accomplished in the years just ahead.

"Twelve of the 60 months have come and gone. We may believe that progress has been made toward the attainment of at least some of our long-view purposes. It is perhaps too early to check specific accomplishment against established goals. In any event, I do not propose to enter upon any recital of details of work done. I do cherish the opportunity, however, of presenting a thought or two upon the general trend of our joint enterprise.

### Progress Must Be Measured Qualitatively, Not Quantitatively

"The placing, during the last three administrations, those of Julian Myrick, Paul Clark and Seab Whatley, upon hitherto unscalped peaks, of the flag both of membership and finances, has brought with it a two-fold responsibility which we must face jointly, that is, nationally and locally. Speaking from the national standpoint, we must not be content to measure our reorganization and expansion program quantitatively. Numerical strength and accretions to surplus mean nothing in and of themselves. But when they are used to spell increased prestige and influence and new vehicles of service, in and for the business of selling life insurance, they work wonders. Three years of operation of the expansion program have demonstrated that adequate support can be found for its execution, both as to man-power and finances. The challenge is therefore clear to an increased service and usefulness to our enlarged membership and to the business.

### Local Leadership Is Great Essential

"Plans for expansion of service will be ineffective, however, unless local leadership provides the outlet and, in fact, the impetus, for this growth. Putting it in another way—we are convinced that the field for service from the national to the local bodies is almost limitless; we are equally firm in our knowledge that we are now equipped to expand our service to meet a most any demands; we are not so sure that our proffered service will be anywhere nearly adequately used.

"In his annual report, President Whatley expresses surprise that there could be a goodly number of local associations which have entirely ignored our offer, made through the remarkably generous cooperation of the Life Insurance Sales Research Bureau—of a slide-film service for monthly meetings. Do you wonder that we sometimes get discouraged, when we are advised toward the close of an association year, that a certain local unit has not held a single group meeting throughout the year, because they 'couldn't find a program?' Yet, our bulletins have been full of

earnest pleas for an acceptance of this free service, and each issue of the 'News' has carried specific suggestions for the creation of attractive programs.

### National Association Offers Comprehensive Aid

"It is a really huge burden that we undertake to carry when we offer to aid each and every local association in staging its monthly meetings. But the only actually hard part of the whole business is that so many units entirely ignore our offer. We may have failed to respond to a request for local program material, but we do not recall the instance offhand. If there is one, tell us about it, and try us again.

"Doesn't it all boil down to this—a question of local association leadership? Max Hoffman said in his editorial in the August 'News' that nothing but respect and admiration could be had for the underwriter, who, because he cannot see his way clear to make the required sacrifice, declines to accept the responsibilities of a local association office. He couldn't find many good words, however, to say for the man who accepts the office and then allows his group to 'die on his hands.'

"We wonder just what is the answer. Is it that we, at your national headquarters, are not good salesmen? We have tried especially to make our bulletins and communications to you carry the personal and human touch. Many of you have even been so reckless as to admit that you liked to receive our messages. But won't you give us your frank suggestions or criticisms, to guide us in that absolutely essential phase of our work—selling our service?

### Closer Contact Between National and Local Units

"There were tried, during the past year, two quite specific devices to get closer to our membership and to bring home to each member the realization that he belongs to a national as well as to a local group.

"We circularized our membership by mail and enclosed two pieces of material, either of which was considered to be worth, in actual dollars and cents to each agent, the rather staggering cost of the postage and printing. The response was rather gratifying. But we confess that the necessity or even the advisability of repeating the experiment has not seemed compelling.

"There was inaugurated a new service in the form of a monthly contact bulletin, called 'Life Notes,' designed to go to each member, with two pages of more or less personal appeal, from the national office, and two pages to carry the local units' news and activities. This was designed, of course, for groups which did not already issue a monthly bulletin to members. This 'organ' at once secured a circulation of upwards of 7,000, and we believe it serves a real purpose. In any event, it provides a vehicle which allows us to say some things much more intimately and less guardedly than we could say them in the 'News.' We want to continue and enlarge this service.

### Several Projects That Are Under Consideration

"There are several 'projects' which have been under consideration for some time, and which I hope can be worked out during this coming association year. They are merely suggestive, however, of the kind of service that we want to render to our local units and to their members. We want the suggestions of our entire membership as to the kind and character of the service required.

"First of all—a school for the further training of agents. At the mid-year meeting of the trustees and executive committee, held in New York last spring, the suggestion was made that plans might be worked out for a sort of traveling school, under the auspices of the National association, which

might promote the work of at least elementary education among its members in various larger centers. The response was as immediate and enthusiastic as the suggestion was tentative. Further discussion has been had, and this will be continued at the meetings to be held in connection with this convention. The plan has proceeded far enough so that it can be prophesied with some certainty that the coming year will see the development of new pieces of educational machinery which will mean much to our membership. We have been particularly fortunate in this connection in securing the interest and co-operation of such an able leader as James Elton Bragg, director of the life insurance course at New York University.

"Schools can be established, within striking distance of New York City, for each week throughout the year, holding one in each successive city on Thursday

and Friday. Then, in the summer of 1931 a week's course could be set up successively in each of eight or ten centers, so that this educational facility could be placed at the disposal of associations as far away as the Pacific Coast.

"We are also fortunate in having the co-operation in this project of the Life Insurance Sales Research Bureau. The lecture courses will thus be carefully tied into the principles of management taught and preached to the managers through that organization, and it is hoped that the bureau will prepare, as a sort of 'follow-up' for such courses, a bibliography of suggested reading to continue the force and effect of the schools throughout the year.

### Present Life Insurance To Woman of Country

"Then there is the subject, 'Cooperation with Women's Clubs.' We have



## Welcome to Toronto

THE Manufacturers Life extends a cordial invitation to delegates attending the Fourth International Convention to visit the Home Office—100 Bloor Street East.

Established in 1887, the Company not only transacts business in Canada, United States, Great Britain and Ireland, but also has agencies in Newfoundland, Egypt, South Africa, India, Burma, Ceylon, Straits Settlements, Federated Malay States, Siam, China, Hongkong, Japan, Philippine Islands, Hawaii, West Indies, Central and South America.

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talked long and much about a closer cooperation with women's clubs, and about a more comprehensive presentation of the functions and advantages of life insurance to the women of the country. Much has been established, especially through the instrumentality of Mrs. W. S. Pritchard, of Des Moines, chairman of the insurance committee under the department of the American Home in the Iowa Federation of Women's Clubs. Mrs. Pritchard has been much too generous in the giving of her time to this work. She has talked before life underwriters' associations, especially in a series of meetings in Indiana in June, and her activities in Iowa, in advocating and exemplifying closer cooperation between life underwriters and women's clubs, have attracted national attention. We had hoped to be able to make an arrangement with Mrs. Pritchard whereby at least a portion of her time might be made available to this work under some kind of a national plan of cooperation. Limitations upon the national treasury, however, have dictated at least a postponement of this broader alliance. The use of Mrs. Pritchard's talents and services cannot be urged too strongly, nevertheless, upon local groups or even state organizations, where arrangements can be made on some basis which will compensate her for her personal sacrifice. It is hoped that plans may be worked out during the coming fall for such an enterprise to be conducted in several districts.

#### Need Capable Club Leader as Liaison Officer

"This field has hardly been touched. The harvest will be a rich one. Our plans must be laid with vision and with a determined purpose to bring the gospel of life insurance more intelligently and forcefully to the women of America.

"The time must come, and may it be speeded, when this association will have worked out a program under which it has a capable woman's club leader as a liaison officer, planning and promoting exhibits and contests, through parent-teachers' organizations, business and professional women's clubs; arranging for addresses on life insurance before women's organizations; getting life insurance onto the programs of the Federated Women's Clubs; giving to life insurance the value of the woman's viewpoint; making it possible to tell to the women of America the true story of what life insurance will do for the home. In short, inviting and receiving the cooperation of all agencies concerned with child welfare, education, health, the safeguarding of the American home and the abolition of poverty.

#### Great Opportunity in Life Insurance Exhibits

"We should at once pay careful attention to the preparation of material to constitute an 'exhibit' on the functions and advantages of life insurance for the use of our associations all over the country. Tentative plans for such an exhibit will be presented to this convention. In our opinion there are at least 100 associations which would send in a list of at least ten exhibit spaces available in each of their respective communities where such a demonstration could be 'rotated' in successive weeks. Windows of barks, newspaper and real estate offices, vacant stores, hotel lobbies, clubs, chambers of commerce, business and professional men's conventions—the list could be prolonged indefinitely. The character of the material has an equally wide range, and its appeal would be almost limitless. The exhibit should be displayed always, of course, under the banner of the local association, with opportunity for bringing to the attention of all of the citizens of the community just who among the life underwriters were banding together under the group emblem, and who were trying to 'go it alone.' There should also be

## Report on Local Programs

Progress of local associations in constructing useful programs for their monthly meetings, and recommendations for such programs, were covered by the report of the committee on education, presented by Miss B. B. Macfarlane, chairman. Miss Macfarlane said:

"Your committee on education has devoted their time since the mid-year meeting of the executive committee to the study of program building, as the preparation of a nine or ten months' program that would prove instructive, entertaining and educational seemed to be one of the major problems of many of the local associations.

#### Three Subjects Always Worth While

"The program can make or mar the meeting, can build or discourage attendance and membership increase. It requires much effort to overcome the effect of a poor program and to bring the membership back. For this reason we feel that much time and careful thought should be given to the preparation of the programs, preparing them as far in advance as is practicable, depending upon local conditions. As a general rule, we believe you will find that the members like to feel that they are a part of the association. Give them something to do, make them responsible for some part of the year's program, and we believe you will find

supplied, for use in connection with such exhibits, institutional literature for general distribution.

"The Huntington, W. Va., association has already done a very constructive piece of work along this line, but the attempt now must be, it seems to us, to produce something which, both on account of its reasonable cost of production and its universality of appeal, will be found practicable for general use under almost any conditions.

#### Plan Use of Movie Tones, Drama and Phonograph

"Another project which remains in abeyance only because of insufficient funds for its promotion at the present time, is a movietone portrayal of some phase of life insurance selling which might be presented all over the country, to arouse interest in our institution and to promote the sound and scientific application of life insurance to the social and economic needs of the nation. There can be no doubt that this will come and that our association should afford the banner under which such an enterprise could carry on. Along the same line, short radio dramas, pictorializing the place of life insurance in the family and in the business world are almost sure to be developed. Phonograph records will be used to enlarge the audience for novel and effective selling points and inspirational addresses. The spoken drama will also develop new avenues for furnishing programs for monthly meetings. The New York office should become more and more the clearing house for such material.

"There are almost innumerable channels of expansion for this service. All that is required is the furnishing of 'the sinews of war.' Shall we say that one more year of satisfactory 'black figures,' made possible by an increase in membership and in advertising support in 'Life Association News,' will embolden us to undertake a program of considerably enlarged financial outlay? Is not that a sufficient incentive to increased effort? We have turned the corner and are a few steps ahead of the constant dread of 'red figures.' Why not leave them so far behind that even the fear of their recurrence will not hamper or embarrass us?"

that they will take a personal pride in coming up to the expectations of their fellow members.

"There is an element of education in every program, some to a greater degree than others, and it would seem that an entire meeting at some time during the year could very profitably be devoted to each of the following subjects, a knowledge of which is necessary to the best success of the underwriter:

"Community property laws of your state.

"Laws of your state with respect to wills.

"Settlement of estates, etc.

"It is most encouraging to note the increasing number of local associations which are conducting study groups preparatory to the C. L. U. examinations, and it is to be hoped that many more associations will adopt this plan as a part of their educational program.

"One-day sales congresses have proven very beneficial and profitable in a large number of associations, and in many it is made the major activity of the year.

"A bankers' night—preferably a dinner meeting—of life underwriters and trust officers, has also been of great benefit and interest in many instances.

"It is the opinion of your committee that one meeting, possibly October, can very profitably be devoted to a report of the annual meeting of the National Association, and that at least ten minutes of an early spring meeting be devoted to a report from the National executive committeeman on the proceedings of the mid-year executive meeting of the National Association.

#### Educational Work With Insuring Public

"There is still a big field for educational work with the insuring public, for while the volume of business written today is a sure indication of a better understanding of life insurance by the people than ever before, there is yet much to be done, and the suggestion is offered that each association endeavor to arrange for a speaker at the various luncheon clubs, including women's clubs, at some time during the year, asking for the privilege, if necessary, and presenting the subject of life insurance as property, in investment secured, and as an immediate estate builder. An opportunity is presented here to persuade and educate the public to rely for their insurance needs upon the life underwriter who is a member of the local association and who should be qualified to render intelligent service and advice.

#### Hull's Proposals Endorsed by Committee

"I want to take this opportunity to refer to Major Hull's report at the mid-year executive meeting on the following subjects and to express the sentiments of the entire committee on education that they may all be put into execution at a very early date, as we believe they will do much to carry forward the subject of education and will tend to solve many program problems: We refer to the following:

"Proposed Traveling School: It is proposed that this school would be manned by a man thoroughly qualified to handle the subjects and who would also be a district organizer. The proposed school would consist of five lectures of one hour each on five successive days with laboratory helps in actual selling demonstrations. In addition such a lecturer or district organizer could be of inestimable value to the association, offering helps or suggestions on local problems, speaking before the local association, taking part in a local sales congress, and to address the chamber of commerce or some of the luncheon clubs. Many expressions have been received from the local associations earnestly hoping that the

national will be successful in discovering a man qualified to carry out such a program of education.

"National Speakers' Bureau: This is still a very live subject and the full value of such a bureau will be realized when speakers can be available for the local associations far away from the big centres.

"Slide Films: The use of these films will help solve most any program problem, as it is not only a film, the story in pictures, but the very excellent lecture which accompanies each film, and which can be elaborated upon to suit local conditions. A little practice will enable the one responsible for the specific program to give a most interesting sales demonstration.

"Life Notes: This monthly bulletin from national headquarters furnishes an excellent vehicle for the announcement of monthly meetings, placing the program on the fourth page together with general items of an educational nature."

#### C. L. U. Course in Night High School at Phoenix

Mis MacFarlane attached to her report suggestions of the various local leaders. One of the most interesting was from Stanley B. Coffin, of Phoenix, Ariz. The Phoenix association has succeeded in the establishment of a life insurance course in the regular adult night school of Phoenix, which is conducted each year by the local high school and junior college. The subjects to be taught are those recommended by the American College of Life Underwriters with a view of qualifying for the C.L.U. designation. Only two of the general subjects will be available this year, with the expectation that one or two more will be added a year later and the remainder still another year later. In other words, the local association would not expect to have the entire outline of study covered in less than two and one-half or three years of night school work. A most satisfactory number of Phoenix members have agreed to take the course.

This is making life insurance education practical and putting it on a standard basis. Doubtless the night school course could be introduced in other cities.

#### Members Fed-up With Ill-Prepared Talks

Stuart R. Strong, of Portland, Ore., said he believed the Portland plan is more or less generally followed throughout the country. It is to have a periodical meeting, with some home office representative or local business man to speak. The talks are very apt to be ill-prepared and decidedly general, with the result that the membership is rather fed up on so-called inspirational talks. These are apt to be so general in character that they have very little direct bearing on the sale of life insurance.

John Prins, president of the Spokane association, told of a plan followed in Seattle, when he was in that city. Once a month, on Monday morning, one agency held its Monday morning meeting in the presence of all life underwriters. A cup was given for the best meeting. This is a program which can stretch out over the whole year and at Seattle it created quite a bit of interest.

#### Reports on Cooperation

Jonathan K. Voshell, chairman of the committee on co-operation with the United States Chamber of Commerce, made the report for that committee. He referred to the increasing interest taken by life men in the work of the chamber and said it is now certain that life insurance has become an integral part of the business development of the chamber and is recognized as one of the vital forces in contributing to the upbuilding of the nation, and its recognition as a stabilizer in matters of finance is unquestioned.



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A T L A N T I C O C E A N

## Sales in Ratio to Calls Made

"See More if You'll Sell More"  
Is Advice of Imperial Life  
Toronto Manager

### IN ALL CASES THE RULE

Salesman Should Devote Himself Primarily to Seeing Men With Whom He Can "Click"

By L. N. L'ESPERANCE

L. N. L'Esperance, manager at Montreal for the Imperial Life of Toronto, is one of the really international figures on the program, as he was born in the United States, at Saginaw, Mich., and lived in Los Angeles for a number of years, but has made his reputation as a life insurance man in Canada. He has been prominent both as a producer and an organizer and has also gained distinction for his lectures on life insurance, both at McGill University and Toronto University.

In 1929, more than 35 men in the United States and Canada sold upwards of \$1,000,000 each of life insurance. Many more had personal sales all the way down from the million mark to a quarter million. One important fact emerges from even a casual study of production records. Of one very large group of underwriters examined, it was found that 90 per cent of that group produced less than \$250,000 each of business in the year studied, and the remaining 10 per cent accounted for over 40 per cent of the total production of the group. Over three-quarters of those writing less than \$250,000 actually produced less than \$150,000.

#### Many, Many to Whom \$200,000 Will Loom Large

Whether these figures be applicable to the total number of underwriters, I do not know, but I believe there exists a very large number of men now engaged in life insurance to whom selling \$200,000 to \$250,000 per year would loom large. It is possible that there are in this room a number of men who feel that they are not producing the amount of business per year which their efforts would seem to indicate, and while I am sure that most of us cannot hope to become members of the Million Dollar class, I am equally certain that a definite improvement and increase in our personal volume of business can be effected quite simply.

#### Most Sales Necessarily in Limited Amounts

The average policy sold by your companies and mine indicates a situation with which we are already familiar—that the great mass of insurance sold must of necessity be bought by average people of limited buying power. Just as the lowest price motor car appeals to the greatest number of people so, necessarily, will insurance in relatively small units be acceptable by the largest number. There will always be relatively few large buyers, due to the division of money between people, so while Mr. Average Salesman will seek for the large case, he will after all make his consistent showing with fairly average ones.

#### Great Difference Lies in Number of Sales Made

One company has shown that the great difference between members of the Quarter Million Dollar Club and the \$100,000 Club lies not so much in the difference in size of the average policy

as in the number of sales made by the members of the respective clubs, the \$250,000 men making an average of 71 sales per year, the \$100,000 men having an average number of sales approximating 55. From personal observation and knowledge of a great many men in the life assurance business, I am convinced that a large number of those men qualifying in the smaller clubs could very easily become members of at least the Quarter Million Dollar Club if their conception of life underwriting was slightly modified.

#### Public Ready to Hear Story of Life Insurance

A fire insurance broker once made the statement that broadly speaking the majority of fire insurance men were not constructive in the strict sense. He suggested that they were actually competing among themselves for business already created or at least latent. I believe that in life insurance there is a latent demand, and I would substantiate this belief by the fact that while it is admitted that many of our presentations to the public are mediocre, or even poor, we do succeed year after year in piling up tremendous figures of new business. To me at least, this indicates a great readiness on the part of the public to hear the story of life insurance, and what it can do for them.

Philip Burnet, president of the Continental American Life, some time ago said that "men buy life insurance on the average once every five years," or, putting it another way, that one man out of five buys this year. This would, in any given field, produce a large number of buyers in the making, men who will during the course of the year add to their life assurance estates.

#### Time Needed to Create Friendly Atmosphere

Although in our respective fields there is this large potential buying group, we cannot hope to sell all or anywhere near all of them for a number of reasons. May I suggest that while some men may sell a great deal of insurance on first or second interview, broadly speaking the great volume of average policies is sold over a more protracted period. I believe that to be the case because of the very nature of life insurance selling, which involves the contacting, the creation of confidence in the salesman, growing into a friendly atmosphere, the development of need on the part of the prospect, the presentation of a contract, and finally the concluding act—the sale. I believe that buyers deal with men they like and it takes time for the salesman to promote this feeling in the prospect. Sales are being made every day as the result of contacts made 3 months, 6 months, or a year ago, due in many cases no doubt to changed circumstances on the part of the prospect.

#### Find Men With Whom Salesman Can "Click"

Many of the men whom we see we will never sell, for the very simple reason that I could never hope to sell all of you, due to peculiarities of personality on my part, making for a lack of understanding between us. I submit that the men we do sell are men with whom we come into a reasonable mutual understanding and liking. So convinced am I of this that I would rather use energy to find men with whom I can "click" (if I may use the word), than try to find men whom I might sell by desperate or intensive effort, and I am thoroughly sold on the idea that in my field, as in yours, there are a large number of men to whom I may introduce myself, and arrive quickly and easily at that state of mutual liking and understanding which I conceive as being necessary before a transaction can take place.

Now, all of us here have a certain definite selling ratio. By that I mean a certain number of sales resulting from a definite number of calls. We may have 50 sales a year, 60 sales a year, or 100

sales a year, but it almost invariably works out that there is a definite relationship between the number of sales and the number of calls made.

If it is true that we can't sell everyone, that we must possess the confidence of the buyer, that a friendly atmosphere must exist, and if we wish to increase our number of sales, leaving aside all other questions of improvement in the salesman's method, knowledge of business technique, and so on, I suggest there is no more simple way to increase the number of sales than to find more of those people with whom we can deal.

#### Salesmen's Scope Limited by What They Are

I believe that the average salesman, and I ask you to kindly remember that I am trying to speak to a certain group, I believe that average salesmen are definitely limited in their scope by what they are. Education, background, environment, social standing, previous connections, and so on, all of these influence to a degree the business a man can do, and the type of people with whom he can do that business. The salesman's task, then as I see it is to recognize his natural limitations, and capitalize on them. I mean by that to devote more energy, put in more calls, among the types of people he is adapted to sell, people with whom he feels easily comfortable.

#### Essential to Make More Calls Per Day

How many calls are made per day? I do not know the answer, I doubt if anyone here could arrive at a figure representing anything like an accurate estimate, but I am thoroughly convinced that the number of calls made by all of us are not nearly as many as they could reasonably be expected to be. Why do we not make more calls? Is it satisfaction with present position? Is it lack of initiative, due in part to faults of our early training, or is it perhaps timidity? To the man who is definitely satisfied with his present position I have little to say, and with regard to lack of initiative, if due to training faults, I have nothing to say. If, however, it is timidity it would be interesting to find, if possible, the reason for this, and some way to overcome it.

#### Fears Situation May Arise With Which He Cannot Deal

Insofar as I can determine, the fear of making new calls arises from a feeling on the part of the salesman that he is likely to meet a situation with which he cannot deal. For example, a young salesman age 28 might find it very difficult to effectively canvass a man of 50, a high salaried executive, or head of a business, because there is such a wide difference in their outlook on life. Or a salesman may feel a little backward about going in to see a man about whom he knows nothing beyond his name, feeling that possibly he will find himself projected into an interview over which he will have very little control.

#### Must Make Use of Certain Well Recognized Principles

If we are to get in more calls per day, if we are to make more contacts, canvass more men, it is absolutely necessary that resourcefulness be developed, and apart from that, that certain well recognized principles be made use of in order to elicit from the prospective buyer the answers which lend themselves to our presentation. Thrift, the virtues of saving, has always been I believe something with which all people are in agreement. The protection of one's dependents certainly has made a tremendous appeal to the peoples of North America in the last 40 to 50 years. A pension or income if a man becomes disabled will certainly find agreement with all.

If these things, then, are readily accepted as being desirable, if we realize that our public, deep down in its heart, accepts these things as of value, as

## On the Job



JOHN F. CREMEN, Washington Secretary National Association

filling a place which no other institution can serve as we can, why not make use of these ideas in the form of questions which will certainly in most cases elicit favorable replies? A simple question, "Do you believe in saving?" can, I think, produce only one reply. "Would you like your wife or your children to have some additional revenue each month in the event of your death?" will, I think, from reasonable men produce only one answer; "Would you like a pension if you are unable to work?" will certainly be agreed to by most men. These simple questions, devoid of any frills, or any difficult technique, will open the doors to a demonstration of the merits and capacities of our business to fit in to the ideas expressed.

#### Must See People and Try to Apply Knowledge

During this convention, you will have many new ideas, new methods of presentation. You will receive stimulus from the examples of other men who have been tremendously successful. It is an absurd thought, of course, but let us assume that when you go to your respective homes, with all these new ideas, you decide to stay in your offices. How many insurance buyers will search you out? Will you secure a large amount of business? Naturally, you smile at the idea. You know you must see people and try to apply your knowledge. My point then is this: Since you know you must make calls, why not make a lot of them? Why not put in a real day of effort?

In conclusion, let me reiterate this one thought: Each one of us has a definite ratio of sales to calls. Discounting for the moment entirely all other methods of self improvement, I say to you that it is a mathematical certainty—*increase your number of calls among those groups of people with whom you are best fitted to deal, and you automatically increase your number of sales and your total volume.*

Ernest W. Owen, Detroit general agent of the Sun Life, former secretary of the National association and general convention chairman at the time when the National association met in his city, has feared that he might not be able to attend the convention, as his daughter, who is attending school in Geneva, Switzerland, has been seriously ill with spinal meningitis and his primary concern was naturally with the messages received regarding her condition. A cablegram was received Monday, however, stating that the crisis apparently was passed and that she now seems to be on the mend.



**Keep Your  
Name and  
Business  
Before Your  
Clients  
365 Days  
a Year**

**C**ALENDARS are the most economical and effective form of advertising for life underwriters ever devised. Calendars are on the job 365 days a year keeping the life underwriter's name and business before his client's eye. The National Underwriter is publishing an attractive two color rotogravure 16 x 9 inch calendar for 1931.

#### Designed for Insurance Men

It is not just another calendar—it is a calendar designed especially for the life underwriter by insurance advertising specialists.

The National Underwriter calendar has 12 sheets, one for each month, making 12 distinct calendars for the price of one. Each monthly sheet has an appropriate and attractive illustration vividly demonstrating how life insurance can fill the needs of your client. Under each illustration is a pithy and potent argument for life insurance. In the center of the calendar, right in the focus of all eyes, your name and address are imprinted free.

#### Large Visible Numerals

The calendar is especially practical—it has large numerals visible at a distance and each sheet carries the preceding and following months besides the current one. It is attractive and appropriate to hang anywhere—office, store or home.

A sample calendar will be sent you for 10 cents in stamps to cover postage. It is necessary to act immediately as all orders must be in by Oct. 15. Send the coupon today and get more information about the best business builder for you in 1931.

**IF YOU ARE AT TORONTO, ASK AT THE  
NATIONAL UNDERWRITER BOOTH AT  
CONVENTION HEADQUARTERS FOR  
FURTHER INFORMATION.**

# ARE YOU LOOKING FOR AN OPPORTUNITY?



Royal Union Life Building,  
Cor. 7th and Grand Ave.,  
Des Moines, Iowa

If you are not now under contract and are looking for a profitable and pleasant agency connection let us suggest that you

## BUILD YOUR OWN BUSINESS

under our general agency contract in any one of the following States:

IOWA	MISSISSIPPI
KANSAS	MISSOURI
OKLAHOMA	MONTANA
TEXAS	NORTH DAKOTA
OHIO	SOUTH DAKOTA
PENNSYLVANIA	

## Royal Union Life Insurance Company DES MOINES, IOWA

A. C. TUCKER, *President*

**Oct. 15, 1930 is the Deadline  
For Orders — Mail the Coupon  
Today — —**

The National Underwriter Co., **SEND 10c IN STAMPS FOR  
175 W Jackson Blvd., Chicago. COMPLETE SAMPLE CALENDAR**

Gentlemen:

Please send me complete information regarding The National Underwriter's 1931 calendar and how it will help me increase my 1931 premiums. I am enclosing 10 cents in stamps for a sample.

Name .....

Street Address .....

Town ..... State .....

*Openings in the following states:*

Alabama	Georgia
Florida	Michigan
Ohio	Tennessee
District of Columbia	West Virginia

## CAREER MEN

Life insurance needs men who desire to make a career of the life insurance business. Such men will find unusual opportunity in the agency contracts offered by this rapidly growing company. We will gladly furnish details of our program and its thorough period of training and development to anyone interested in the business of life insurance or life agency management. Write direct to President I. A. Morrisett for complete information.

## THE GEM CITY LIFE

INSURANCE COMPANY OF DAYTON, OHIO

*The Rapidly Growing Company*

## One Hundred Leads Each Day

Each day an average of more than one hundred leads go out to the Fidelity field—good live leads on interested prospects. Millions of dollars of high grade business is being written directly from these leads.

### Easier Selling

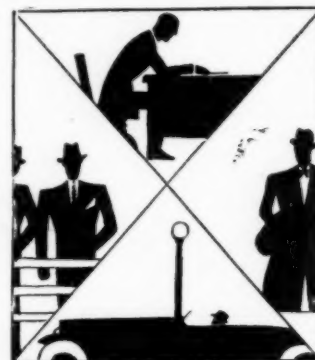
Fidelity lead service and Low Rate policies make selling easier. Fidelity operates in thirty-nine states, including New York, on a full level net premium basis with more than \$89,000,000 in assets and over \$415,000,000 insurance in force.

*Desirable franchises open for the right men seeking a wider and more profitable field of action.*

## THE FIDELITY MUTUAL LIFE INSURANCE COMPANY

PHILADELPHIA

WALTER LEMAR TALBOT, *President*



## Well Balanced!

Like the proverbial dew, this company covers everything.

Writing industrial . . . ordinary life . . . group . . . health and accident.

Operating from coast to coast . . . Canada to Mexico . . . Cuba to Hawaii.

*Valuable Territories  
Now Open.*

## AMERICAN NATIONAL Insurance Company GALVESTON, TEXAS

## NOW TWENTY-SIX MORE CITIES

THE Home Life is now initiating the second step in its program of development. The first step was the strengthening of its organization in the large centers of population. That process is now well under way. In practically every large city there are today one or more vigorous agencies under competent direction, and making satisfactory progress.

We now enter the second phase of our program which is the intensive development of a group of twenty-six cities with populations ranging from fifty to three hundred thousand. These cities have been carefully selected with reference to location and future possibilities.

In our established agencies men are being steadily equipped with knowledge and developed to that point of personal and financial responsibility that will qualify them to head the agency development in those cities.

This move is but another step in a well thought out, long time program which is designed to secure a satisfactory development for this Company and the maximum opportunity for those associated with it.

*"A Company of Opportunity"*

## Home Life Insurance Company

256 Broadway, New York City

ETHELBERT IDE LOW, Chairman of the Board. JAMES A. FULTON, President.

On agency matters address: H. W. MANNING, Supt. of Agencies



## Science Put on Selling Faults

Professors of New York University Analyze 15,000 Interviews In 7½ Years

### SALESMEN TALK TOO MUCH

Six Principles to Restrain Them Are Laid Down in Joint Address

By R. C. BORDEN and A. C. BUSSE  
Associate Professors of Public Speaking,  
New York University

Note: There was practical demonstration of each principle.

By practical observation such as a botanist might employ in research in plants, we set about investigating strategy in salesmanship on the field where solicitations grow. For seven and a half years we listened in strategic positions, with permission to determine how persistently-successful salesmen conducted their interviews.

After 15,000 interviews by that method had been "photographed" we set about the task of generalizing from them. The result of that generalization process was a sort of formula, constituted by six principles, covering the argumentative phase of the major sales interview. That is, covering the phase of the interview following the statement of objections by the prospect—a phase which distinguishes a real sales solicitation from a simple order taking procedure.

This formula was submitted to the acid test of application on the firing line to over 300 of the nations' leading selling organizations which were addressed in either national or district conventions. In each case, as the material was submitted, the salesmen were asked to forget the background of the principles and were asked to try them out in a spirit of intelligent skepticism. The reports which have come back to us from that great national test are to the effect that where these principles are deliberately applied on a large scale with a check-up, they have invariably been followed by a measurable increase in selling efficiency. And the only way to measure selling efficiency is in terms of dollars and cents.

#### Principles Require Adaptation to Job

These principles are offered merely in a spirit of constructive suggestion. We realize that because they are general principles they may require adaptation to the special exigencies of the insurance salesman's job. But we leave that job of adaptation to you who are more expert in the intricacies of insurance salesmanship than we may ever be.

#### Principle I

Don't Try to do all the Talking Yourself!

If you have a dominating personality, sufficient nerve, and a fluent tongue, it is quite possible for you to occupy 90 percent of the total time available for a given argument with your own comments—perhaps 100 percent. But your achievement will be your ruin.

Your opponent wants to talk, too! Not only that, he wants an opportunity to talk at least as much as you do. Deny him this opportunity by talking too much yourself—by prolonging any one comment unduly—and these four things happen:

(1) Your opponent soon ceases to follow carefully what you are saying, maintaining only a shallow semblance of attention.

(2) Under this shallow attentive

## Canadian Association Officials



L. W. DUNSTALL, Toronto  
Secretary Canadian Association



J. G. TAYLOR, Toronto  
Chairman Canadian Program Committee

exterior, his mind becomes more and more preoccupied with the arguments on the other side of the question—his arguments, which you are not giving him an opportunity to "get off his chest."

(3) These unexpressed arguments of your opponent—held back by your continued verbosity—gradually assume in his mind an exaggerated importance; that is, they inflate with continued repression.

(4) Finally, if your "talk monopoly" continues long enough, he may experience overt emotions of irritation and resentment, utterly and irretrievably ruinous to your chances of winning the argument certainly with any amount of good-will.

#### Be a Good Listener First, Talker Second

It is the unanimous testimony of keen observers that these four results almost invariably attend the argumentative policy of "doing all the talking." Avoid them.

Determine here and now, if you would win arguments, to be a good listener first, and a good talker second. When you make a comment take care that it is brief, to the point, "of thought compact." After your opponent has replied—and let him take as much time as he pleases in making his reply—advance another brief, sententious comment. Then listen some more. By a thoughtful expression and intent general demeanor, encourage your opponent to continue speaking. Make him realize that your listening is real, appreciative.

The tactical advantages of this procedure are enormous. In the first place it assures your opponent of your entire fairness in the dispute and predisposes him to a like attitude. If you are willing to listen to him, he is willing to listen to you. If you are eager to understand his side of the argument, he is equally eager to understand yours.

In the second place, it leads your opponent to deflate automatically any "hobgoblin" arguments at the back of his mind which loom large there merely because they are hazy and blurred—because they have never been put into words before and thus brought into the light for logical scrutiny. Verbal expression is a cruel clarifier and usually reduces such amorphous arguments at once to a negligible residue of common sense.

#### Open Argument Less Dangerous Than Silent One

But let us suppose that your opponent does not hang himself with the rope

you give him, that the process of verbal expression does not automatically reveal any of his arguments as irrelevant, unimportant, or invalid. What then?

Even then your strategy has accomplished a useful purpose. Valid or invalid, relevant or irrelevant—an argument your opponent has expressed is less dangerous to you than one he has not expressed.

This is an elementary psychological truth you must never lose sight of during an argument. Repression inflates; expression deflates—always!

Let your opponent have his say, then; even if it cuts down on your own speaking time.

DON'T TRY TO DO ALL THE TALKING YOURSELF!

#### Principle II

Don't Interrupt Your Opponent!

Right in the middle of one of your opponent's comments, you may suddenly perceive a rare opening for rebuttal. What a chance for a brilliant, immediately crushing retort—for a "sure-fire comeback!" In order to strike while the iron is hot, you feel tempted to interrupt. But—don't do it!

Practical experience has proved again and again—with sad, monotonous regularity—that interruptions in an argument seldom pay. To be sure, they enable you to strike while the iron is hot, to get comments on record that might prove irrelevant—or "cold" a few seconds later.

#### Interruptions Irritate Prospect and Hurt Sale

The fact remains, however, that interruptions unquestionably irritate your opponent—and that this irritation is more to be feared than the logical coup of your red-hot rebuttal is to be desired.

You're not trying to convince a neutral third party that you are the cleverest debater, remember. You are trying to get your opponent—a touchy, emotional, somewhat vain human being—to change his opinion. This task must be undertaken with circumspection. It requires good psychology, courtesy, tact, strategy—even more than it does a logician's cleverness or a debater's fluency.

Interruptions are risky. They almost invariably irritate, no matter how graciously, how cleverly effected.

DON'T INTERRUPT!

#### Principle III

Avoid an Argumentative Attitude that is Belligerently Positive!

"Any sensible man can see I'm absolutely right and you're absolutely

wrong—if you don't give in and admit you're licked, it's because you're either stupid or stubborn!"

Of course you wouldn't say this to your opponent in an argument—in so many words. But if you are not on your guard, you may unconsciously slip into an argumentative attitude which implies it—and that's just as bad.

#### Easy to Become

##### Contradictory or Disputatious

It's easy to raise your voice in an argument without knowing you are doing it. It's easy to let a note of harsh intolerant finality creep into your counter-assertions. It's easy to wax contradictory, disputatious. It's easy to sneer—even easier to snort.

But if you want to win your arguments, steel yourself against these controversial frailties.

In your manner of delivery be unvaryingly suave; in the phraseology of your assertions, unvaryingly moderate. When you want to emphasize a point, do so by increasing the earnestness of your tone, not its volume—by wording your statements with greater precision, not with less moderation.

If your opponent is an average human being, he will react to these tactics by imitating them. That is—he, too, will try to be suave in manner and conservative in statement. Inferring from your moderation a frank though tacit admission that you may be wrong, which means merely that you are open minded to new evidence, the suspicion naturally occurs to him that it is equally possible he may be wrong—that you may be right!

But what if your opponent is not "an ordinary human being"? What if he misinterprets your suavity as timidity, your moderation as lack of conviction—and takes advantage of this misinterpretation to adopt a belligerently positive argumentative attitude of his own?

#### Suavity and Moderation Should Be Maintained

Even in that event your tactics of suavity and moderation are entirely justified. To change them would be to throw away deliberately whatever chances you may have of winning the argument, however slim these, admittedly, may be.

No man endowed with the customary attributes of vanity or pugnacity can be browbeaten or overawed into changing his opinion. Attempts to do this only make him stubborn, and then—well, you know the old adage about "a man convinced against his will."

Arguments are seldom won by belligerent speakers. Opinions are rarely changed by overpositive affirmations. Ergo—

AVOID A BELLIGERENTLY POSITIVE ARGUMENTATIVE ATTITUDE!

#### Principle IV

In the First Half of an Argument Inquire Rather Than Attack!

The only opening move in an argument consistent with good strategy is inquiry.

Don't start by attacking your opponent—by telling him why you think he is wrong; start by questioning him—by having him tell you why he thinks he is right. To promote this process, express sympathy with his point of view—even concede the truth of certain of his minor contentions.

#### Get Prospect to State His Objections First

This maneuver secures for you two important advantages:

(1) You induce your opponent to discharge practically all his heavy ammunition during the first and psychologically indecisive half of the argument. During the second and decisive half, he has no alternative but to listen to you—with the same inquiring sympathy, receptiveness, and spirit of concession you previously accorded him.

(2) By the time you are ready to

launch your main attack in the concluding phase of the argument, your opponent's case has been completely exposed—all his defenses uncovered. Provided you have conducted your inquiries with skill and persistence, your opponent has not only told you all his reasons for holding the opinion in dispute; he has let you know which of these reasons he considers basic, which immaterial. Probably he has permitted you to pin him down to one KEY CONTENTION, on the validity of which he is willing to stake everything—to let his opinion stand or fall. In short, by the time you are ready to launch your main attack, you have all the information necessary to direct and concentrate that attack with maximum effectiveness.

These two advantages are of critical importance in the average argument. Be sure to secure them! Inquire first, attack afterward.

#### Amateur Launches Attack at Opening

Only an amateur disputant greets the initial statement of his opponent's opinion with an immediate contradiction, launching a major offensive with the "drop of the curtain." In this hasty, short-sighted policy he resembles an incompetent general who precipitates battle without first ascertaining the strength and disposition of the enemy forces—or an equally incompetent artillery officer who orders his gunners to open fire on opposing fortifications before making the necessary calculations to permit careful aim. See that you resemble neither.

#### DURING THE FIRST HALF OF AN ARGUMENT, INQUIRE RATHER THAN ATTACK!

##### Principle V

*Restate Clearly and Vigorously in Your Own Words and Gist of Each Argument your Opponent Advances—As Soon as He Advances It!*

In stressing the advantage of having your opponent uncover all his arguments during the first and indecisive half of the argument, we failed to note an important attendant difficulty. The uncovering process may take too long!

Unless proper precautions are observed, it is quite possible that your opponent's arguments may occupy not only the first half of the total time available for the argument, but the second half too.

#### Hope Prospect Will Talk Himself Out

Of course, it is your hope that your opponent will talk himself out quickly—that he will be satisfied to advance each of his arguments just once, and then be willing to rest on his oars while you talk. In this event the danger mentioned will not materialize.

But what if he insists on advancing each argument two, three, or even four times—seeking additional clarity and emphasis with each repetition? In that event there is no telling when he will consider himself talked out—no telling when he will permit you to execute a sustained concluding attack. Certainly not within the time limits of the average discussion!

It is within your power, however, to forestall definitely your opponent's natural tendency toward argument.

By restating clearly and fairly in your own words the gist of each argument your opponent advances—as soon as he advances it—you give him incontrovertible evidence that you appreciate the full significance of his case upon its initial presentation. Why, then, should he want to repeat it—or even elaborate on it? For no reason whatever! It is only when you fail to give him such sure evidence of intelligent and sympathetic understanding that he suspects the first statement of his argument wasn't quite clear—that it didn't "get across." This suspicion naturally inspires him to try expressing

the argument more forcibly in other words.

#### Restate More Forcibly Than Prospect's Own Words

A good salesman should seek to restate his prospect's objections even more forcibly than originally worded. He thus "labels" these objections once and for all with a finality that precludes the very thought of repetition.

This, then, is the way to make sure that the drawing-out process is compressed within the allotted first half of the argument. This is the way to make your opponent "talk himself out" quickly.

#### RESTATE CLEARLY AND FAIRLY IN YOUR OWN WORDS THE GIST OF EACH ARGUMENT YOUR OPPONENT ADVANCES—AS SOON AS HE ADVANCES IT!

##### Principle VI

*Identify Your Main Argumentative Attack with One Key Issue—Then Stick to That Issue! Don't Digress!*

Before launching your main attack in the concluding phase of an argument, persuade your opponent to concede the decisive, overshadowing importance of one key issue.

Formulate this issue carefully and with the greatest possible clarity. Get your opponent to agree, if possible, on its exact wording.

Then stick to it through thick and thin for the remainder of the argument.

#### Three Ways of Avoiding Irrelevant Digression

Don't digress! Don't digress, yourself—don't follow your opponent into a digression. Should your opponent introduce a point not relevant to the key contention—or not essential to it—do one of three things:

(1) Waive its consideration by pointing out its apparent irrelevance or unessentiality.

(2) Concede its truth—either unconditionally or "for the sake of argument."

(3) Postpone its consideration "for the time being."

Then back to the key issue!

Practical experience as well as the experimentation of psychologists has proved that the only feasible way to change your opponent's opinion within the time limit of a single argument is to keep hammering at that one key issue. The human mind finds it exceedingly difficult to make an important decision on short notice if that decision requires the analysis of more than one central consideration. If you base your attack on two issues of coordinate importance, the chances of changing your opponent's opinion within the time limit of the argument are automatically halved. With two issues in the arena, he will tend to hop from one to the other and make a definite decision on neither. More than two issues of coordinate importance, of course, hopelessly reduce your chance of winning the argument.

Too many cooks spoil the broth; a multiplicity of issues spoils the argument.

#### IDENTIFY YOUR MAIN ARGUMENTATIVE ATTACK WITH ONE KEY ISSUE—THEN STICK TO THAT ISSUE. DON'T DIGRESS!

#### MASSACHUSETTS MUTUAL MEETING

President Sargeant, of the Massachusetts Mutual Life has arranged for the holding of the annual meeting of the general agents of that company, scheduled for next week, at the Berkshire Hunt & Country Club near Lenox, Mass., instead of at the home office at Springfield, where it usually is held. President Wyman, of the Berkshire Life is president of the club.

Joseph C. Behan, superintendent of agents, is attending the Toronto meeting and will chaperon the large Massachusetts Mutual contingent which will

## Dunham Advises An Amputation

A plea for greater co-operation between the insurance agents and the insurance departments of each state was voiced by Col. Howard P. Dunham, commissioner of Connecticut. Co-operation between company executives, agents and insurance departments, he said, will result in eliminating undesirable agents and improving standards in the insurance business.

Colonel Dunham brought the greetings and best wishes of the National Convention of Insurance Commissioners. He said he was a firm believer in conventions for insurance company executives, agents and even commissioners. Men, he said, lose perspective when they stay at their desks for long periods, and attendance at conventions enables them to get a clearer understanding of their business.

Discussing changes in insurance salesmanship, Col. Dunham said:

"There has been too much sappy sentimentality among insurance salesmen in the past and the prime and often the only quality in that agent was persistence. These uneducated persons built up a hatred of insurance methods which has taken years to overcome. The public resented their very approach.

#### Facts Are Substituted For Sentimentality Now

"Today presents a far different picture. The up-to-date agent uses facts in place of sentimentality—an appeal to reason and judgment—and psychological approach instead of sheer aggressiveness, with the result that the modern agent has come to be recognized as among the highest types of salesmen in the world."

"This association of yours," he went on, "has done more to break down the barriers of the past and improve the quality of leadership in life insurance than any other institution connected with the business."

He complimented the personnel of the association and asked for more co-operation between the agents and the various state and provincial insurance departments in the interests of the insuring public.

"By becoming better acquainted and learning each other's tasks and problems, there will develop a mutual understanding. And when there is understanding there is no possibility of suspicion and conflict," he said.

#### Slippery Agent Should Be Exterminated Today

"Insurance company executives and agents could further co-operate with the state insurance departments in keeping an ever-watchful eye upon unethical practices. It is the slippery agent who resorts to every sharp practice who often gives the public the wrong impression of this great institution of life insurance. He should be exterminated. It should be the duty of this organization to encourage insurance company managers and agents to furnish state departments with exact and

go to the Berkshires directly from Toronto, headed by George E. Lackey of Oklahoma City, nominee for president of the National association.

#### John Dolph, Bridegroom

The hand of John Dolph, who served as president of the National Association in 1905, is being wrung probably more often and more heartily than anyone at the convention, for the convention to Mr. Dolph is merely an incident on his wedding trip. He is accompanied by the new Mrs. Dolph and the couple is receiving expressions of good wishes from Mr. Dolph's many friends from all sides. Mr. Dolph recently retired as manager for the Metropolitan in Washington, D.C.

unbiased information concerning every man who leaves the company's employ instead of treating the matter as one of routine, leaving the public and another company unprotected against the man who is a veritable and constant leech.

"Just as the legal profession through its bar associations operates to raise the ethics of the profession, so the agents through their associations can exercise a powerful influence in the direction of fair and equitable business conduct. The insurance agents' associations have had a prodigious growth in the last decade and I hope they may even continue to grow, for the larger the membership the greater the influence in correcting abuses."

#### Thirteen Past Presidents of U. S. Association on Scene

As the convention opened the noses of thirteen past-presidents of the National Association were counted and their faces photographed. This is considered an exceptional record for there are only twenty living past-presidents. Those in attendance are: Ernest J. Clark, Baltimore; Paul F. Clark, Boston; John Dolph, Washington, D.C.; J. Stanley Edwards, Denver; Frank E. McMullen, Los Angeles; Julian S. Myrick, New York; Lawrence Priddy, New York; John Newton Russell, Los Angeles; John L. Shuff, Cincinnati; Neil D. Sills, Richmond, Va.; J. K. Voshell, Baltimore; Graham C. Wells, N.Y.; A. G. Eliason.

#### Seventy Attend Two-Day Managers' Lecture Course

The seventy general agents and managers who resisted the lure of the lobby to spend two days in the new advanced lecture course in agency management conducted by the Life Underwriters Sales Research Bureau for graduates of its managers' schools were well recompensed. The latest developments in the field of agency building, supervision, and training were presented during the sessions Monday and Tuesday by John M. Holcombe, manager of the Bureau, and two of his assistants, Stanley G. Dickinson and H. G. Kenagy. Forty-two of those attending were Canadians. A dinner Monday evening was the only social feature of the event.

Among the topics presented by the corps of three instructors were "Plant Building;" "Tested Recruiting Plans;" "Organized Sales Talks for Selling the Business;" "Training Methods;" "Conservation;" "Developing and Stimulating Our Agents;" "Group Supervision" and "Measuring Agency Progress."

#### Canadian Officials in Lobby

Among the Canadian company officials observed fraternizing with the conventioners are V. R. Smith, assistant manager of the Confederation Life; A. N. Mitchell, general manager of the Canada Life, who addressed the convention Wednesday afternoon; and E. J. Harvey, superintendent of agents for the North American Life.

#### Canadians in Mid-Year Meet

The semi-annual meeting of the Life Underwriters' Association of Canada was conducted on Tuesday with a gratifying attendance in view of the fact that forty-two Canadians had a conflicting engagement in the advanced lecture course on agency management, which was in session at the same time. There was much interest in the proposal to stage educational lectures throughout the Dominion to help underwriters prepare for C. L. U. Examinations.



# Intelligent Progression

The Mutual Benefit was organized in 1845, and for eighty-five years has been administered by a succession of directors and officers whose conduct of its affairs has merited and received the confidence and approval of hundreds of thousands of policyholders.

Not only has the Mutual Benefit's history been marked by the fidelity, ability, and integrity of the officials who from time to time have been responsible for its financial management, but the Mutual Benefit has also been distinguished throughout its history for intelligent progression in the provisions of its contracts which, with unbroken adherence to sound actuarial principles, have made the Mutual Benefit a leader in life insurance underwriting.

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Personal selling is one of the oldest of the Arts, but knowledge of the Principles on which it is based is one of the newest of the Sciences.

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This task is to bring to a definite head the potential demands of larger, more exacting and better informed markets.

Hence, no more practical wisdom could have been shown by the Officers of the National Association of Life Underwriters than the choice they have made of the subject of this Annual Meeting.

Every Agent in the land who is alive to its importance to his own higher development will master its message and apply the information in his daily work.

*He will be rewarded with steadily  
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## New England Mutual Life Insurance Company

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Chartered, 1835

# The Life Profession

The Life Underwriter has rapidly taken his rightful place in the business world. He ranks high in his community and is a mighty bulwark against the three—who usually travel hand in hand—Poverty, Sickness and Death.

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## PEOPLES LIFE INSURANCE COMPANY

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## VISUAL SELLING

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understand  
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THE VISUAL SALES BOOK SERVICE recently offered by The National Underwriter Company has been enthusiastically received by the life insurance fraternity.

The most typical comment from underwriters, when we show them this visual canvassing plan, is "That one picture is worth the whole price of the service to me." But they don't all point to the same picture, chart, or diagram.

And that's the beauty of this plan. It's flexible. Of the eight sections (160 pages) you may carry in your handsome genuine leather binder just those which appeal to you—just what you want to use on your prospects in your way. You don't change your selling methods, or select your prospects to suit this plan; it changes to suit you.

Out of the remarkable collection of visualized life insurance sales appeals we have developed in years of pictorial publishing, we have selected the very best and combined them in a practical, usable form for canvassing purposes. Beautifully printed on heavy dull coated enamel paper, logically arranged, diligently edited to give you impressive, direct, motivating, eye-appealing demonstrations of the many uses and advantages of life insurance.

The originators of picture insurance selling, the publishers of THE ESTATE-O-GRAPH, THE LIFE PICTORIAL and the INSURANCE PICTORIAL now offer life underwriters the VISUAL SALES BOOK SERVICE.

Will it help you sell? There is just one way to find out. Try it. If it doesn't you won't be out a cent. Get the service. Use it two weeks. If it hasn't paid for itself within that time, return it and get your money back.

Inspect the VISUAL SALES BOOK during the N. A. L. U. convention at The National Underwriter booth or send direct for information to

**The National Underwriter  
A-1946 Insurance  
Exchange, Chicago**



# Playlet Tells Life Insurance Policy

*"Life Underwriting: Yesterday, Today and Tomorrow,  
A Pageant Play of the Life Insurance Profession"*

Produced at Convention Headquarters, Fourth International Convention of Life Underwriters, Royal York Hotel, Toronto, Sept. 24, 1930

## SYNOPSIS

Prologue and epilogue—The Spirit of Progress and Neophyte appear before and after each act in front of curtain.

## ACT ONE:

### "INTO THE PAST—YESTERDAY"

*Spirit of Progress invites Neophyte, a budding Life Underwriter to journey with him into the past, where a storekeeper, Mr. Mortalman, is canvassed by the agents of several Companies. The attempt to sell a policy brings to light such unfair practices as twisting, misrepresentation, rebating and other evils, with the result that the prospect is so disgusted, he refuses insurance.*

## ACT TWO:

### "THE PRESENT—TODAY"

*A descendant of Mr. Mortalman, a business man, is in his office. He is ambitious for himself and family but is besieged with fears as to what would occur if his health would not stand the strain. Finally the merits of Life Insurance are forced upon his consideration and with the aid of a Life Underwriter, The Spirit of Protection stands guard over him and his family.*

## ACT THREE:

### "TO THE FUTURE—TOMORROW"

*The family of Mr. Mortalman a number of years later after his decease, are seen in the living room of their home that had been kept intact by Life Insurance. The mother and daughter await the arrival of the son who has just graduated and returning home from college. The son is confronted by the choice of his life's vocation and after due consideration decides to enter the new profession as a Chartered Life Underwriter.*

## Act One: "Into the Past—Yesterday"

Scene: An interior of a store

Characters: Spirit of Progress, Neophyte, Mr. Mortalman; Representatives, Acme Life, Best Life, Cantbebeat Life, Dandy Life, Eclipse Life, First National Life.

*Spirit of Progress appears before curtain—Spotlight.*

S. of P.:

"To the Spirit of Progress now give ear,  
A message to you I would make clear!  
This day 'tis yours if you but will  
With inspiration your minds to fill.  
From the north, the east, south and  
west,  
Each one I welcome as my guest.  
Alas but one I can invite  
And so I choose a neophyte."

*(Neophyte steps up out of audience to stage as progress calls)*

S. of P.:

"A Life Underwriter thou would'st be?  
If true, speak and let us hear from  
thee!"

"O Spirit of Progress I would indeed!  
Teach me how I may succeed."

S. of P.:

"Then follow and close attention pay  
As into the past we find our way.  
Picture with me the mistakes that  
were made  
That you, in the future the same may  
evade.  
I command this veil to stand apart.  
As into the "Yesterday" now we start."

*(Curtain)*

S. of P.:

"Here we see mere mortal man  
Facing his problems as best he can,  
Let us draw hither out of sight  
As on this scene we turn more light."

*(Mr. Mortalman, a merchant, is behind counter in a store; as light comes on Mr. Mortalman is hid behind six vivid insurance circulars spread fan-like)*

Mr. Mortalman:

"One, two, three, four, five, six  
Was ever a man in such a fix?  
Says my wife to me you must obtain  
Insurance for me and little Elaine.  
I wrote six companies to get the best  
And these folders came to me  
addressed;

The Agents too will soon be here  
They ought to clear the atmosphere.  
I will listen of course to what they say  
And choose a Policy without delay."

*(Acme Life Insurance Company Agent enters)*

"How do you do Mr. Mortalman!  
I am here to do for you the best I can.  
A policy of insurance I wish to sell  
No other one will serve as well,  
A thousand at death or twenty years  
Will ease your mind and quell your  
fears.

A dollar a week you ought to save  
A way to fortune it will help to pave  
A thousand dollars and profits too  
If living then will be paid to you."

*(Mr. Mortalman holding his hands up)*

"Profits you say, how much will  
they be?  
May I count on them for certainty?"

Acme:

"Four Hundred Dollars or more they say  
I estimate nearer five they'll pay."

*(Pulling out application)*

A few particulars and all will be fine  
Just sign your name on the dotted line."

Mr. Mortalman:

"Wait a minute, wait my friend  
I'll tell you later what I intend."

*(Best Life Insurance Company Agent enters as Acme goes out)*

Best:

"Good day Mr. Mortalman! I represent  
The best life company on the  
Continent!  
I know no other is quite as good  
We sell most insurance in the  
neighbourhood."

Mr. Mortalman:

"The Acme Life has a good policy"

Best:

"Tut, tut, my man, such fallacy!"

Mr. Mortalman:

"Their Endowment Policy looks good  
to me."

Best:

"With such a statement I cannot agree,  
The Twenty Pay Life is best for you  
Two Thousand Insurance for the  
same cost too!

Do you know why the Agent Endow-

ment displayed?

Because more commission to him is

paid.

Two Thousand at death, in twenty

you're set

For the cash is yours and the premiums

met!

It's just a little more than a dollar a

week

You sign right here for the one you

seek."

Mr. Mortalman:

"Two Thousand at death or twenty  
appears"

Best:

"The most popular sold in many years!"

Mr. Mortalman:

"I'll see you later, I like your plan  
But first I must see the Cantbebeat  
man."

*(Exit Best as Cantbebeat Life Agent enters)*

Cantbebeat:

"Mr. Mortalman, I heard of your need,  
The Manager of the Bank gave me  
the lead.

He's a spotter of mine, the commission  
we split,  
Any business you have he'd appreciate  
it!"

Mr. Mortalman:

"What the Banker advises must be right  
The application you may as well write  
Cantbebeat Life is as good as the next  
So many have got me sore perplexed."

*(Cantbebeat writes application, has Mortalman sign, when Agent of Dandy Life enters—exit Cantbebeat)*

Dandy:

"Mr. Mortalman, I hope I'm not late  
I have a dandy Policy right up to  
date."

Mr. Mortalman:

"That story I've heard until I'm tired  
Just now a policy I have acquired."

Dandy:

"You have, from which Company have  
you bought?

Oh, a sorry mistake, do you know you

ought

To have waited until I arrived!

With you the Commission I would

divide."

Mr. Mortalman:

"That's tough, my Banker gets that  
share  
I suppose I'll have to leave it there"

Dandy:

"The Dandy Life would have served  
you best  
For scores of policyholders do attest  
Think it over, you can change your  
mind  
Just tell them you do not wish that  
kind."

*(Dandy exits as Eclipse Life Agent enters)*

Eclipse:

"Mr. Mortalman, I'm from the Eclipse  
All others, this Company now  
outstrips."

Mr. Mortalman:

"You're out of luck, don't waste your  
breath  
I have a Two Thousand Policy  
payable at death  
In twenty years I can take the cash  
Unless the Company should go crash."

Eclipse:

"What premium do you pay for this?  
It seems there's something here amiss."

Mr. Mortalman:

"Sixty-seven dollars a year I pay  
For twenty years only so they say."

Eclipse:

"That Policy won't give you that I  
know  
I'm surprised they misrepresented so."

Mr. Mortalman:

"If that is true, what must I do?"

Eclipse:

"I certainly would cancel if I were you."

Mr. Mortalman:

"Bedad I will! You can have it now  
I do not care if there is a row."

*(Eclipse begins to write application as the Agent of the First National Life rushes in)*

First:

"Mr. Mortalman, I crave but a minute  
Your business I seek, sure I can  
win it."

*(Mr. Mortalman waving hands)*

"The Acme, Best and Cantbebeat,  
the Dandy and Eclipse all tried that  
feat."

First:

"Then the First tho' last is best of all  
Everywhere our Company gets the  
call."

Mr. Mortalman:

"Stop, I say, I've had enough  
You'll drive me crazy with such stuff."

First:

"In these books I'll show you why  
The First is first without a lie.  
In assets and reserves we lead the way  
And larger Dividends always pay.  
No other Company could stand first  
So choose the best and not the worst.  
To buy from the others would be a  
mistake  
Then give me your app. for your  
family's sake."

*(Agents from other Companies rush in waving application forms and calling out "Buy from Acme" etc.)*

Mr. Mortalman:

"Stop! Enough! Get out of my sight!  
No insurance I'll buy, turn out the  
light."

*(Curtain)*

*(Continued on next page)*

(Progress stepping out in front of curtain with Neophyte)

S. of P.:

"Come Neophyte, rid ourselves of the past,  
Such things today simply could not last  
Leave them then to where they belong  
A career started thus would always be wrong.  
Twisting, rebating, are evils well rid  
And must be exposed however well hid.  
Life Underwriting a profession must be  
That will stand the closest scrutiny."

Neophyte:

"Could things have happened just like that?  
Against such evils who led the combat?"

S. of P.:

"Life Underwriters themselves took the lead  
With concerted effort 'twas bound to succeed.  
But come to the present where you shall see  
A man in his office engaged busily."  
(Curtain)

(S. of P. and Neophyte step inside—lights are dim at first)

S. of P.:

"Again to one side let us keep out of sight  
While we turn on this scene a stronger light."

Act Two: "The Present—Today"

Scene: Business Office

Characters: Mr. Mortalman, Disability, Old Age, Death, Mr. Brown of the International Life, Mrs. Mortalman, Boy, Girl, Spirit of Protection.

(Curtain—A business man about 35 years of age is seated at desk in the late afternoon. As his eye catches sight of photograph of his wife and boy and girl he stops his work and muses.)

Mr. Mortalman:

"Dear wife and children for you I must win  
Through struggles without and fears within  
If God gives me health all will be well  
But if it should fail—it would be hell."  
(He places head in hands in meditation—figure in black enters with word Disability on forehead)

Disability:

"Disability comes when you least expect  
No time is given for you to reflect  
Mortals dread my close approach  
Nor care I for bitter reproach.  
Take warning O Mortalman! Take care!  
For I am ruthless and will not spare."

(Mr. M. raises his head after the vision, troubled, perplexed, again places head in hands. Another figure in black, Old Age approaches)

Old Age:

"Old Age creeps on, silent but sure,  
And mortals are hastening to my lure.  
Sunshine or shadow may be thy lot  
Choose then, rightly, as thou ought.  
Be warned O Mortal while yet there is time  
To reckon Old Age and make it sublime!"

(Mr. M. again shows signs of restlessness, gripping the photograph as still he ponders. Another figure—death, enters)

Death:

"Death you can't evade O Mortalman  
You may strive hard as long as you can,  
But the time rolls on when meet we will  
And you'll pass with me for good or ill.  
Take care, O Mortalman take care,  
For death its knell will one day declare!"

Mr. Mortalman:

"Why do such visions come to me,  
And cast shadows on my family?"

Away they must go and yet it seems  
They hover about me in my dreams.  
There must be a way to ease my mind  
That way at once I now shall find."

(Telephone Rings)

Mr. M. continues:

"Hello! What? Insurance? No!  
Yes! But I am not interested you know;  
But, Brown, listen it will do you no good  
And just at present I'm not in the mood.  
Just a minute, hold the line."

(Putting hand over mouthpiece)

"I wonder if an interview I should decline,  
Perhaps it's the way for me to insure  
And make my future and family secure"

(Speaking in phone)

"Hello! Is it convenient to come right away?  
Right: then I'll make it a point to stay."

(Putting phone aside)

"Why have I refused such men to see,  
I'm certain I haven't acted advisedly.  
Insurance men too seem a decent lot  
Great changes with them the years have wrought."

(Knock on door—Mr. Mortalman rises as he repeats)

Mr. Mortalman:

"Come in. Glad to see you Mr. Brown,  
Have a chair will you? Please sit down."

Mr. Brown:

"Thank you Mr. Mortalman, I will,  
And trust there's a service I can fulfill.  
Have you thoroughly understood  
The value and the inestimable good  
Of insurance to aid your life plan  
As no other system of finance can?"

(Mr. Brown noticing photograph on desk continues)

"Pardon me please, but may I see  
This picture—I judge of your family?"  
(Taking up picture)

"Mother, a girl and a fine little lad,  
A worthy inspiration for any dad,  
With your permission, let's place it here  
To illustrate my meaning clear—"

(Mr. Brown has in mind the figure of the triangle—and the wall of protection standing between you and yours and Disability, Death and Old Age)

"One of three things may happen you  
To prevent your plans being carried through.  
Disability is menace Number one  
And prevents a man's work from being done.  
Grim death always stalks close by  
And with him hopes and ambitions die.  
Spared from these, old age we face,  
Will declining years be filled with grace?  
This formidable trinity can be met,  
Loved ones not forced to pay the debt."

Mr. Brown continuing:

"Between you and yours and this trinity stand  
A wall of protection, properly planned,  
It's worth while and a practical plan  
Could it not serve you Mr. Mortalman?"

Mr. Mortalman:

"Of course, but what would you suggest  
That I might serve my interests best?"

Mr. Brown:

"Simply to replace your earning power  
And arrange to do it this very hour."

Mr. Mortalman:

"Just what do you mean by that?  
Explain  
How can I my earning power maintain?"

Mr. Brown:

"Your life expectancy is about thirty-eight,

Multiplied by your income gives the earning power rate.  
Look at it please, another way  
What income will all expenses pay?"

Mr. Mortalman:

"Two Hundred a month at least they'd need,  
Other requirements this amount would exceed."

Mr. Brown: (Proceeding to write application)

"Suppose this amount we first arrange  
Later if you wish we'll make any change."

Mr. Mortalman:

"What did you say the cost would be?"

Mr. Brown:

"A deposit annually of Five Hundred and three  
Your signature is needed on this line  
The other particulars I have just fine."

Mr. Mortalman: (Signing application)

"I suppose your Doctor will make a test  
Physically, I think I'm the very best  
Which Company is it by the way?"

Mr. Brown:

"The International Life I'm proud to say!  
Thank you for the business Mr. Mortalman  
You will like the Company and its plan."

Mr. Mortalman:

"Thanks old man, I'm sure I will  
A very great need it will fulfill."

(Brown leaves as Mortalman's wife and two children enter, the children about four and six climb up on Dad's knee, Mother sitting on arm of chair)

Children:

"Hello Daddy! Come home right away  
We want you to come with us and play."

Mother:

"The children wished to surprise you so  
As soon as you are ready home we will go."

(The faces of the family group are lightened by desk lamp. The rest of the room in semi-darkness as evening approaches—Figure representing Spirit of Protection enters and recites)

S. of P.:

"'Tis well the Angel of Protection's on guard  
The ravages of disease and death to retard,  
To keep this family inviolate, intact  
And perpetuate a home is my compact.  
To lift the Mortgage, the bills to pay  
In the Breadwinner's place to hold full sway  
The children's education to be secured  
And the widow's future safely assured.  
I am the love that never dies,  
To extend beyond death strong loving ties,  
If thou would'st make life's burdens lighter  
Cherish for thyself the "Life Underwriter."  
(Curtain)

S. of Progress:

(Stepping in front of curtain—spotlight)  
"Come Neophyte, from this touching scene,  
I would not our presence should be seen."

I trust your vision was not blurred,  
Unstopped your ears so that you heard  
And grasped the lesson for you taught,  
Such wisdom with gold cannot be bought."

Neophyte:

"One question alone myself I ask  
To be faithful and true to my chosen task."

S. of Progress:

"One Picture more I would have you see,  
If not too tired to follow me.  
Into the future we pass uncertain  
To see what lies behind the curtain."

(Curtain)

Act Three:—"To the Future—Tomorrow"

Scene: Mrs. Mortalman's home years later

Characters: Mother, Chris, the daughter, Morley, the son; Minister, Lawyer, Doctor, Teacher.

Mother:

"I do hope Morley will not be long  
He's late or else my watch is wrong."

Chris:

"He'll be here soon, don't worry  
Mother,  
You know what I'm like and he's my brother,  
He may be walking from the train  
By bus there's so little time to gain."

Mother:

"Just think, he's a Graduate at last!  
My, but the years have gone so fast  
How proud his Dad would be if he  
Were alive to greet him with you and me!  
Dad always said he hoped his son  
Would stay at school till his degree was won.  
I'll go and see if he's on the street  
I would like to be first my boy to greet."

(Chris continues playing at the piano—commotion is heard and son arrives)

Morley:

"Hello Mum, sorry I was a little late  
"I know you'll think me an awful ingrate."

Mother:

"Welcome home Morley, my boy!  
My heart is full of unspeakable joy."

Chris:

"Congrats Morley, from sister Chris  
Our Bachelor of Arts may have a kin."

Morley: (Kissing sister)

"Right, I will and many more  
If no one else will be peeved and sore  
How are you both, I hope you are well  
In your letters to me you did not tell."

Chris:

"We both have been very well indeed  
Your presence here was our only need."

Morley: (Getting Diploma out of bag, they eagerly look it over)

"I guess my Diploma you wish to see  
I wonder if it means much after all to me."

Mother:

"Have you made up your mind what you intend to do?"

Morley:

"Just a suggestion that will surprise you."

Chris:

"Rich man, Poor man, Beggarman,  
Thief,  
Doctor, Lawyer, Merchant Chief."

Morley:

"No Chris, none of these, but a new profession,  
Is now my one and only obsession."

Mother:

"Morley, What is it? Whatever can it be?"

Chris:

"I'm full of suspense so please tell me"

Morley:

"It's Life Underwriting I have in mind  
Of all possibilities this is what I find  
This new profession's future is bright  
And promises best of all in sight."

Chris:

"From what you say, do you imply  
With other professions it ranks as high?  
To be just an Agent, does not seem  
The fulfillment of a Graduate's dream."

Mother:

"Do not judge too hasty Chris,  
Before you do please listen to this.  
Perhaps you have wondered just how  
Have been able all our needs to supply  
I will tell you how as brief as I can  
How your father adopted a wonderful plan."



He placed insurance to provide that we  
Should be taken care of comfortably  
He little thought then that all too soon  
His forethought would prove such a  
boon  
A Life Underwriter to us proved a  
friend  
And a father's provision will last to  
the end.  
The financial returns I do not know  
But there's no finer calling here below!"

Morley:  
"Thanks Mother, it bears out my  
thought  
More convinced than ever to seek it  
I ought."

Chris:  
"If its a profession, is there a degree  
Like Doctors of Medicine with their  
M.D.?"

Morley:  
"Chartered Life Underwriter, I thought  
you knew."

Chris:  
"Morley Mortalman, C.L.U."

Morley:  
"It requires much study this degree to  
obtain  
But things worth while are not easy  
to gain."

Mother:  
"Come Chris let us get something to eat,  
And Morley can rest in a comfortable  
seat."

Morley: (Seats himself thinking hard)  
"If I only knew, If I only knew  
For sure what profession I ought to  
pursue."

(Morley dozes and dreams: four figures  
appear one at a time, Minister, Law-  
yer, Teacher, Doctor)

Doctor:  
"The Medical Profession is open to you  
With your talents many or talents few  
To heal the sick and ease the pain,  
The health of the nation to maintain,  
To practise Medicine or specialize  
For any young man is a worthy prize."

Preacher:  
"The preaching profession makes its  
claim,  
Souls of men to help reclaim,  
To preach and teach the word of God,  
To point men to their heavenly abode.  
Come then, be a minister or teacher,  
And give your life as a gospel preacher!"

Lawyer:  
"The Law Profession offers you,  
For your life work the very clue  
To champion the cause of the oppressed  
In suits and litigation give your best.  
A Barrister, Counsellor or advocate  
Or a trusted Executor of a big estate!"

Teacher:  
"The Teaching Profession beckons you  
To devote your life as a teacher too;  
To implant in the youth of all the land  
Knowledge that they may understand.  
A teacher, a master or a prof. may be  
Offers a vocation most worthily!"

Life Underwriter:  
"The Life Underwriting profession,  
Tho' quite new,  
Now urges its pressing claim on you.  
Orphans and widows protection to  
provide  
And give to the people in thrift a  
guide.  
A Chartered Life Underwriter in very  
truth  
Has many allurements for American  
youth."

Morley: (Regaining consciousness jumping  
to his feet excited)

"I have it! I have it! I know what I'll  
be!

O Mother, O Chris! It's settled for me!

(Mother and Chris run in quickly)

Chris:  
"What happened Morley? You gave  
us a fright,  
Tell us quickly, don't wait all night!"

Morley:  
"I've dreamed a dream that I'll make  
come true  
I have decided to become a C.L.U."

All:  
"A Life Underwriter!"

(Curtain)

(Spirit of Progress and Neophyte appear  
before curtain in spotlight)

S. of P.:  
"As these pictures fade from view  
Spirit of Progress will bid you adieu.  
Go, ponder the things you've seen and  
heard  
Profit by the mistakes that have  
occurred.

Live in the present and study to show  
Thyself approved, for what you know!  
Give of your best for humanity's sake  
Service your motto and watchword  
make!

Lift up your head, your calling  
acclaim,  
Honored and cherished shall be your  
name!  
By your efforts the world will be  
brighter  
Farewell neophyte, Hail Life Under-  
writer!"

(Curtain)

(All cast assemble on stage)

(Curtain, Curtain.)

THE END.

#### Round-Up of Thirty-Five Pacific Mutual Men Held

According to precedent established  
in 1914 at the San Francisco conven-  
tion, the Pacific Mutual general agency  
association held its rally during the  
two days preceding the opening of the  
National Association of Life Under-  
writers. There were thirty-five Pacific  
Mutual general agents in attendance.

Heading the home office delegation  
at the round-up was Vice-President  
C. I. D. Moore, although President  
George I. Cochran, a Canadian by birth,  
is expected in Toronto during the  
National Association meeting. Other  
home office representatives were Frank  
D. Cummings and E. E. Henderson,  
eastern agency supervisors.

Frank B. Schwentler, of Phoenix,  
Ariz., was elected president of the gen-  
eral agents' association; Jens Smith,  
Chicago, vice-president, and Thomas  
Wall, Ashland, Ky., secretary, while  
C. C. Day, Oklahoma City; J. H. Russell,  
Los Angeles, the retiring president,  
and R. J. Wetzel, Kansas City, Mo.,  
are the new members of the executive  
committee.

Mr. Moore presided Tuesday night at  
the banquet, at which the speakers  
were, John M. Holcombe, manager,  
Life Insurance Sales Research Bureau,  
and Dr. S. S. Huebner, Dean American  
College.

John W. Yates, general agent Mass-  
achusetts Mutual in Detroit, suggested  
how the agency association might help  
the company.

Members of the association were  
drilled in the Pacific Mutual doctrine  
of standardization in every feature of  
the business among the company's  
offices. Lee Scheuer, of Detroit, pre-  
sented a standardized circularization  
and telephone campaign, while Walter  
G. Gastil, Oakland, Cal., branch man-  
ager, introduced a number of new fea-  
tures for the Pacific Mutual sales kit.

A telegram was received from E. J.  
McCormack of Memphis, second vice-  
president of the National association  
and one of its wheel-horses in recent  
years, expressing the regrets of him-  
self and Mrs. McCormack, also well  
known to National association mem-  
bers, at being unable to attend the con-  
vention, the first he has missed since  
he entered the life insurance business.  
Mr. McCormack is general agent for  
the Minnesota Mutual.

# Jolly Good Health!



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Underwriters will find it profit-  
able to get in touch with me.

Francis Cashel Brown, 200 Broadway, New York

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## Pittsburgh Gets 1931 Convention

(Continued from first page)

the National association to meet in that city in 1933, when the big Century Progress Exposition is to be held there.

The plan for "honor roll" plaques to be presented by each association to the member making the best record in membership for the year, and for somewhat similar plaques to be purchased by individual members showing their membership in the National association came in for considerable discussion. The report from national headquarters was that very little interest had been manifested in the honor roll plaques and there was considerable question as to whether the National association should undertake the work of putting out the individual membership plaques. The members of the executive committee were asked to signify individually whether or not they would purchase such plaques. Other suggestions made in the same connection were for button or pin as the honor emblem and that the National association should get up a plate or die showing the association

emblem, which members could use on their cards.

### Change in Status of State Groups is Urged

Another suggestion that attracted considerable attention was that made by O. Sam Cummings of Dallas that the state associations now existing in a number of states, which are wholly voluntary organizations, usually formed in the first place for promoting sales congresses or other promotional work, but without any official status so far as the National association is concerned, be included in its organization scheme and given specific functions to perform. He cited the practice followed by many other national organizations in that respect and listed some of the advantages that would come from giving them official recognition. Guy MacLaughlin of Houston, Tex., expressed the belief that under the present free and loosely knit form of organization the state associations could do some things which they could not as units of the National association. The committee adopted a motion by Mr. Cummings that the question by given serious study and taken up for consideration at the next meet-

ing of the executive committee or the trustees.

When the committee opened its session Tuesday morning, Robert MacInnes, president of the Life Underwriters Association of Canada, who is also an honorary vice-president of the National association was introduced and spoke briefly, extending the greeting of the Canadian association and expressing his pleasure at having the meeting this year on Canadian soil. F. M. Hannam, second vice-president of the Toronto association, also extended greetings on behalf of that association.

President S. T. Whatley of the National association did not read his report, which had been distributed in printed form, but summarized a few of the high points. Secretary John F. Cremon, Washington, D.C., reported on membership and Secretary Robert L. Jones, New York, on finances. Roger B. Hull, managing director, referred briefly to his report, which has also been distributed, and spoke of the action taken by the trustees on some of the important recommendations which it contained. Committee reports were presented by Franklin W. Ganse, co-operation with trust companies; Miss B. B. Macfarlane, education; John C. Mc-

Namara, New York, publications; Julian S. Myrick, New York, institutional advertising; J. K. Voshell, Baltimore, co-operation with chambers of commerce. J. W. Clegg, Philadelphia, chairman of the senior council, which is composed of the ex-presidents of the association, was in Denver attending an agency meeting of his company, the Penn Mutual, but sent in a brief report. H. J. Powell of Louisville, chairman of the committee on law and legislation, also was unable to be present but sent in his report.

### Program Prepared For Field men

Leon Gilbert Simon of New York, chairman of the program committee, spoke briefly on the program arrangements, emphasizing that it had been the primary purpose of the committee to prepare a program for field men.

In reporting for the International Council, J. J. McSweeney of Toronto, chairman, who is also chairman of the international convention committee for this meeting and a past president of the Canadian association, said that the principal work of the council this year had been the arrangement of this international convention. He emphasized the desire of the Canadian members for a continuance of the close co-operation and cordial relations that have always existed between the two organizations.

E. J. Clark of Baltimore, president of the American College of Life Underwriters, spoke briefly of the progress it has made. In connection with his report announcement was made that the trustees at their meeting Monday had voted to cancel the note for \$2,000 loaned to the American College at the time it was started, to enable it to get on its feet, thus making it a gift to the college from the National association.

## Ganse Reviews Trust Trends

(Continued from page 7)

of the notable developments, but without an expression of opinion for or against it. The trust company using the plan claims that it offers the same safeguards as when the money is left with the life companies.

He spoke of the recent organization of the Boston Life Insurance Trust Council, which includes 80 or 90 life insurance men and 25 or 30 trust officers as the first effort to deal with this problem through a single organization, instead of through committees representing the two interests, and predicted good results from it. He also referred to the organization in Chicago of the American Institute of Estate Advisers, but questioned whether it is wise for the life insurance man to attempt to give complete trust advice, independent of the trust officer or the lawyer.

He declared that there is a trend in the courts which he expects to result in a definite decision that a man creating a trust is not giving his property away if he reserves the right to revoke or if he reserves the income for himself.

Hooking up very closely with the report made by Mr. Ganse was a report made by Julian S. Myrick of New York, chairman of a special committee named to visit Washington and secure if possible a clarification of the rulings on estate taxation. The former ruling had been construed as holding that insurance was exempt only when the named beneficiary actually pays the premium. As a result of the conferences with treasury department officials, a new ruling was issued Aug. 6 under which the policyholder may continue to pay the premium and still avoid the payment of estate tax if he divests himself entirely of any control of the policy, including the right to change beneficiary, cash value or loan rights, but not otherwise.



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A. B. OLSON, Mgr. of Agencies

## BANKERS LIFE INSURANCE COMPANY OF NEBRASKA

Home Office - - Lincoln, Nebraska



The  
Minnesota Mutual Life  
Insurance Company  
Saint Paul

*extends greetings  
to The National Association of  
Life Underwriters*

**\$200,000,000.00**

Insurance in Force. Our 50th Anniversary objective was reached several months ahead of schedule.

**50th Anniversary**

On August 6th, 1930, our 50th Anniversary was celebrated through 100 offices in 27 States.

**New Business first part of 1930,  
150% of same period 1929.**

The Company's Sales Plans for 1930 contain a definite objective—\$60,000,000.00 Examined, \$50,000,000.00 Paid for Business.

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MAY WE TELL YOU ABOUT THEM?**

THE MINNESOTA MUTUAL LIFE INSURANCE CO.  
SAINT PAUL

## 10 Reasons Why The Federal Life Man Succeeds

1. **Because** he has in his kit every desirable policy form.
2. **Because** he can offer either Participating or Non-participating insurance.
3. **Because** he can insure children with premium waiver on applicant.
4. **Because** in addition to customary Disability and Double Indemnity he can offer the most attractive Non-Cancellable Income Policy with or without life insurance and with choice of life indemnity or 5- and 10-year aggregate indemnity with immediate hospital coverage.
5. **Because** he can offer a remarkable line of Commercial Accident and Health policies—quarterly payments if desired.
6. **Because** he can offer a most liberal commercial policy with premiums payable monthly—with or without accidental death but paying liberally for loss of hands, feet or eyes—with elimination period and immediate hospital coverage.
7. **Because** he can sell a Non-Cancellable Automobile Policy—\$5,000 and \$100 per month renewable to age 70—men or women—a big seller to people already insured but who welcome this additional protection.
8. **Because** The Federal offers "Human Being" insurance on policies which fit in well with up to date life insurance programs.
9. **Because** The Federal is widely advertised and favorably known.
10. **Because** The Federal is thirty years old, with its first President at the helm—operating in 35 states—good open territory in all states and some exceptional opportunities in the state of ILLINOIS where most of the people are acquainted with the Federal and approve of its methods and policies.

## Federal Life Insurance Company

ISAAC MILLER HAMILTON, President

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**Over \$3,400,000 Accident and Health Premiums  
in force—equivalent to premiums on another  
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**T**HE successful insurance underwriter, like the successful insurance company, visualizes the results of the future through the synchronizing lense of today » » » utilizes results of past experiences, harmonizes them with present action, and capitalizes through applied initiative.

**T**HE ranks of our field force are being constantly strengthened by the appointment of new men » » » high caliber men who can visualize a great future for themselves in the Life Insurance Business » » » we can place several good men in California, Illinois, Iowa, Michigan, Minnesota, Ohio, Oregon, South Dakota, Texas, Washington and Wisconsin.

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"MANY STRONG POINTS" ABOUT OUR ORGAN-  
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**A**LL the information you need about life insurance companies, a thorough analysis of policy provisions, 20 year actual histories (net figures), ordinary life 20 year net premiums at every age. Also rates with and without disability and double indemnity, term rates, industrial rates, dividends on term and paid up policies, cash values and other useful data.

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**All phases of Life underwriting are thoroughly treated in the D.L.B.**



## Swing Into Big Three Day Meet

(Continued from first page)

viewed, and sold by a constructive, intelligent producer who emphasizes the service he has to offer.

The invocation was delivered by Dr. Murdoch MacKinnon, pastor Runnymede United Church, Toronto.

Mayor Bert S. Wemp, of Toronto, delivered very graciously the official welcome and received an ovation when he said the peace of the world is in the hands of the English-speaking people. International conventions, such as the life underwriters gathering, he said, are useful in dispelling misunderstandings between the United States, Canada and England and therefore promote world peace.

Mayor Wemp declared that Toronto and the residents of Toronto are thoroughly committed to the principle of life insurance and that propaganda in behalf of that institution is not necessary in this city. He said that Toronto publicly pays \$2,000,000 each year for insurance in the form of hospitalization, widow benefits, and other municipal charities. He praised group insurance.

Mr. MacInnes read messages of greeting from Viscount Willingdon, governor-general of Canada; R. B. Bennett, prime minister of Canada and G. Howard Ferguson, prime minister of Ontario.

A. E. Rundle, president of the Life Underwriters Association of Toronto, as host, welcomed the guests. He said that the Toronto association has benefited greatly from the interest in association work developed in Toronto in anticipation of this event. Membership in the Toronto association now, he reported, is the greatest in its history for this time of year. The entertainment features, he said, are provided by the Canadian companies domiciled in Toronto, the Life Underwriters Association of Toronto, and the city of Toronto.

### Gay Takes Look Into Mirror of General Business

The "Reflections" which Clyde F. Gay, assistant superintendent of agencies of the Aetna Life, discussed in his talk Wednesday, were those to be seen in a glimpse into the mirror of general business. He reviewed a number of important changes that have taken place in the general business field in the United States in the past few years and their effect on and relation to life insurance.

A feature of the afternoon session was the appearance on the platform of the thirteen past presidents of the National Association and the six past presidents of the Canadian association who are in attendance.

Mr. Whatley, appropriately introduced John Morrell, who is a fellow citizen of Mr. Whatley in Chicago. Mr. Morrell is associate manager of the Equitable Life of New York in Chicago. In 1927 he paid for \$3,180,000 of business.

Mr. Morrell's delivery, although perfectly clear, kept the court stenographers busy because of the rapidity of his speech. He could shame the great speed artist, Floyd Gibbons. He was travelling at the rate of 400 words per minute.

Mr. Morrell presented the idea of business insurance as a hedging operation. The only way to perpetuate an estate, he declared, is for the partner or member of a corporation to automatically liquidate his interest in the partnership or corporation through the agency of business insurance.

Mr. Morrell indorsed the practice of separating life insurance from the rest of an estate by means of a life insurance trust. This is an anchor to windward, he said, hedging against the uncertainties of the rest of the estate, which may, at present, for instance, be deflated or in a frozen condition.

He suggested that the future holds forth great opportunity for producers in capitalizing on the avenues which revocable and irrevocable trusts offer for defeating inheritance tax provisions.

### Greetings from Commissioners, Life Insurance Organizations

At the opening of the session Wednesday afternoon, brief addresses were made on behalf of the Supervising officials of the United States and Canada by Howard P. Dunham, Connecticut commissioner, retiring president of the National Convention of Insurance Commissioners; G. D. Finlayson, Dominion superintendent of insurance, and R. Leighton Foster, Ontario superintendent and president of the Association of Superintendents of Insurance of the Provinces of Canada.

Greetings were then extended from the various life insurance organizations by these representatives: Canadian Life Insurance Officers Association, W. H. Somerville, president and general manager Mutual Life of Canada, Waterloo; Life Presidents Association, Charles G. Taylor, Jr., assistant manager and actuary; American Life Convention, Charles W. Gold, president, vice-president Jefferson, Standard Life; Association of Life Agency Officers, A. N. Mitchell, chairman, general manager, Canada Life; Canadian Association of Life Agency Officers, Wilfrid Carlisle, chairman, superintendent of agencies, Mutual Life of Canada.

A joint discussion of "This Business of selling" was then presented by R. C. Borden and A. C. Busse, associate professors of public speaking, New York University.

### Must See More People In Order to Sell More

L. N. L'Esperance, city manager of the Imperial Life in Montreal, was the last formal speaker at Wednesday's session. He emphasized the fact that there is a direct ratio between the number of calls made and the amount of business written and reiterated the old maxim that it is necessary to see more people in order to sell more. He also advised that the agent centre his activities primarily on prospects with whom he can "click." While lauding the achievements of the "millionaire" writer, he declared that most life insurance must still be sold in small amounts.

The session closed with an open forum, "What's on Your Mind?" conducted by James Elton Bragg, director life insurance school, New York University.

Clyde F. Gay, the first real speaker on the program, was introduced by Mr. Whatley as a "man who has delivered the goods." Mr. Gay and Mr. Whatley are closely associated, the former being assistant superintendent of agencies for the Aetna, and the latter, Chicago general agent for that company. Mr. Gay one year produced \$1,800,000 of business, Mr. Whatley related. The speaker made a fine impression. He is a young man of forceful presence and engaging personality. He was born in Missouri, educated at the University of Arkansas, and engaged in production in Little Rock, Ark., and Shreveport, La., before being called to Hartford.

### Cards for Questions Given to Registrants

Five cards for the presentation of questions to be taken up in this open forum were given to each delegate upon registration, with the request that they be filled out and dropped in the question box. They had these headings:

1. Prospecting—How to secure the names of prospects; how to obtain advance information about the needs and interests of prospects; how to arrange in advance to obtain favorable "contact" with the prospect, etc.

2. The Approach—How to get face to face with the prospect; how to induce the prospect to give you the opportu-

ity to tell him your "story" under favorable conditions, etc.

3. Presenting Your Proposition—How to convince the prospect that he needs your policy or proposition, how to lead the prospect to want to buy your policy or proposition—in other words, use this card for questions relating to the actual selling of your "goods."

4. Objections—Questions which relate specifically to the problem of handling the prospect's objections in such a way as to convert his apparent resistance into an aid for you in selling. If you submit a particular objection for discussion, state briefly the circumstances in which this objection was presented to you.

5. Miscellaneous and Specialties—Questions which can not be classified under the headings of the other four cards, and also questions relating to life insurance programs, life insurance trusts and life insurance "specialties"—life insurance to cover taxes, estate shrinkage, business problems, education, home maintenance, etc.

The annual report of John F. Cremen of Washington, D.C., secretary of the National association, showed that the total membership as of June 30 was 18,415, the largest on record, a gain of 232 over the figure of a year previous. Five associations showed gains of more than 100 members each. They were Chicago, Indianapolis, Kansas City, New York and Pittsburgh.

Applications from newly formed associations, which were approved by the executive committee at its meeting Tuesday included those from associations at High Point, N. C.; Everett, Wash.; Shoshone county, Wallace, Ida.; Sonoma County, Santa Rosa, Cal.; Tucson County, Tucson, Ariz.; Wyoming, Cheyenne; Laporte County, Laporte, Ind.; Coast Counties, Salinas, Cal.; Columbus, Ga.; Berkshire County, Pittsfield, Mass.; Northeast Wyoming, Sheridan; Rio Grande Valley, Harlingen,

Tex.; Massena, N. Y.; McDonough County, Macomb, Ill.; Missouri Slope, Bismarck, N.D.; North Louisiana, Shreveport; St. Johnsbury, Vt.; St. Petersburg, Fla., and Vicksburg, Miss.

Associations reinstated included Mobile County, Mobile, Ala.; Raleigh, N.C.; Waukegan, Ill., and the Blue Grass association, Lexington, Ky.

### Time for High Pressure Membership Drives Past

George W. Ayars of Los Angeles, first vice-president of the National association and chairman of its membership committee for the past two years, in commenting on the membership record, said he believed that the time for further high pressure membership drives was past and that gains could be made from now on on the basis of service given to the membership.

Mansur B. Oakes of Indianapolis, field consultant, told of the campaign conducted in Indiana to double the membership in that state, which was successful in spite of the fact that Indiana had rather more than a normal membership last year and one of its cities, Fort Wayne, won the cup for the largest membership gain. At the start of the drive only seven cities were represented, while now there are associations in more than half of the counties of the state. He paid high tribute to the assistance given by Mrs. W. S. Pritchard, who will hereafter give her entire time to National association work.

Mr. MacInnes deferred his address of welcome until after members of the million dollar round table entered the convention hall after their breakfast conference. He expressed the opinion that never before have so many figures of international reputation appeared on the program of the convention. There are representatives of governments on the card, he pointed out, head office officials, leaders in the field, and important representatives of financial institutions.



## Greetings! To You—From Us

on the threshold of our  
35th Anniversary

Not the oldest — not the largest American company — but old enough to be solidly established and young enough to offer exceptional opportunity.

## Central Life Assurance Society

(MUTUAL)

T. C. DENNY, President

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## WE OFFER

**Generous contracts with real first year commissions and non-forfeitable Renewals to insurance men who can take territory and develop it.**

1. Full line of most salable policies for adults and children. (Written from 1 day old to 70 years old).
2. Prompt service in issuance of policies.
3. Policies issued to greatest possible proportion of applicants.
4. Assistance in organizing territory with H. O. field men.
5. Dollar a Month policies for small buyer.
6. Liberal commission.
7. Liberal underwriting rules for acceptable risks.
8. Exceedingly prompt settlement of claims.

**Some excellent territory open in the States of California, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Oklahoma, Ohio and Texas.**

Sincerity of purpose, ambition and a thorough understanding of life insurance values, combined with a knowledge that the company you represent can meet your customer's needs—spells **SUCCESS** for you.

**Springfield Life**  
Insurance Company  
A. L. HEREFORD  
President  
SPRINGFIELD, ILLINOIS

He complimented the program committees for their remarkable preliminary work, which is manifest in the smooth running of the convention.

President S. T. Whatley, of the National Association, was greeted by an ovation when he rose to respond to the welcome of Mr. MacInnes.

"Legal reserve life insurance in the two countries has proved itself," Mr. Whatley asserted. "It encourages thrift, self reliance, reduces poverty thereby raising the standards of citizenship.

"Let us equip ourselves," he continued, "to assume our responsibilities and reflect credit on the institution of life insurance and on ourselves, the associations of Canada and of the United States call upon life insurance people to join in placing our business on a plane to challenge the confidence and respect of the North American continent."

John L. Shuff, of Cincinnati, who was president of the National Association eight years ago, reinforced Mr. Whatley's response with humorous and affectionate remarks, for which Mr. Shuff is celebrated.

## Million Dollar Leaders Meet

(Continued from page 7)

"The first act that I had to do when I got into my office after returning from Europe was the settling of a claim for \$177,000, part of which I wrote five years ago. This is the way the beneficiaries will enjoy it: \$21,000 will be paid to the wife to equalize the estate shrinkage, \$100 a month will be paid to two daughters as long as either lives, \$10,000 is payable in cash to the son, he having inherited his father's business, \$10,000 is held in trust, giving \$40 a month to a nephew who had been ill all his life, \$5,000 apiece will be payable to the daughters, in cash, and the wife will receive \$460 a month as long as she lives. It is a particularly happy thing for me to think that I was the instrument in suggesting and completing this contract."

### One Factor in Estate That Won't Have to be Sold

"There is no appeal for people to call me up at all, but I know from previous experience that when I get back I shall have three or four persons calling me up as a result of that advertisement."

"It may interest you to know that the man whose estate is referred to in the advertisement left a lot of money besides, some \$400,000. A trust agreement was drawn up, and the very day the man was to sign it, he died. The executive of one of the largest banks in another city said to me: 'I do not know what Al's property is now. He has got a bunch of securities here and at his house, but when I see these black books and I look in the front and read "Legalized Version of Trust Estate of Alfred H. . . ." at least there is \$177,000 worth of property that I have not got to worry about selling.' On Oct. 12, all these things will start, and two of the lump sum payments were made within five days of death."

### Lackey Tells Purposes of Million Dollar Group

In discussing the general idea and purpose of these million dollar conferences, Mr. Lackey said:

"I am proud to be part of the National association. I think it is a great movement. We are inspiring a lot of young underwriters. There are young men here this morning who have qualified for the first time in the million dollar group. Last year at Washington we had one section of the program which it was difficult for some to understand. Some of the million dollar men said: 'Why in the world do you put a section in here on how to bring a man from \$250,000 production to million dol-

lar production?' The chairman answered him by saying that he was lucky in getting one case which brought him into the million dollar round table, and he wanted to stay in and he wanted some permanent props put under him. Also he felt that the greatest contribution we could make to the profession as a whole, and the thing that the convention as a whole is more interested in than in any other one thing, is how these 2,000, of which you will be a part in an hour or so, can be in this room. That is what these men want to know. They want to know how to become million dollar men, if they are \$500,000 or \$250,000 men, and so on. So we developed that thought last year, and I was very proud of it. We had some things brought into it which were very much worth while.

### So Many Ways in which Producers Can Do

"The study of a million dollar producer is quite a proposition. I can look at you men here now, and I can not tell to save my life, unless I know you personally and know about your work, just how you have done it; there are so many ways in which to do it. A lot of men who work untiringly write a lot of cases. There is Simon of New York, who writes sometimes as much as \$5,000,000 a year, and is one of the hardest working men I know. He has a well thought out plan, and he cannot sleep at nights without it.

"If I can leave with you anything at all which is worth watching out for, it is an idea we are trying down where I live, in Oklahoma. We are trying to sell the man who is in business on the idea of writing lives. I am getting to be a nut on the subject of a man coming into the life insurance business and covering 100 lives. I do not care whether he has any volume or not; the volume will take care of itself.

### One Man Writes Boys When They Reach 10 Years

"I want to give you one significant statement that comes to me, which is true. I know a man who writes well over \$1,000,000 every year and has done so for several years. He never returns a policy to the company for cancellation, and he has 100 per cent delivery. That man will write in the next 12 months from 100 to 125 10-year-old children, simply by telling his physician that on a certain day John Jones, over on a certain street, will be 10 years of age. It is an automatic set-up, so far as the agent is concerned. That is the way he builds his prospects. He has told the fathers of these boys and girls that are becoming 10 years of age that they will be insured. There is just one age in life when you can buy the maximum amount of life insurance for a dollar, that is at the age of 10. Any time you go to a living American person beyond the age of 10 years, you have to go with apologies for the fact that they cannot get the maximum in life insurance for a dollar. Figure that from your experience tables of mortality, if you will.

"There is a man who makes plenty of money, and he is the man who hits a \$200,000 or \$300,000 case and along in six months he becomes a million dollar producer, but he writes from 15 to 30 lives a month. He makes more money than almost anybody in this room, and yet he looks after the little set-up. Do not be too blasé because you are a million dollar producer. The generation coming on is going to be better than we are.

"I leave the little thought with you, because I admire greatly the man who does it and wish he could be here to tell you his story himself. I am just stealing his thunder."

### SEXTET OF PAST PRESIDENTS

Among the Canadian underwriters on the scene are six past presidents of the Life Underwriters Association of Canada, they being O. B. Shortly, Toronto;

J. J. McSweeney, Toronto; John T. Mc Kay, Vancouver; Hugh Cannell, Montreal; John A. Tory, Toronto, and John G. Stephenson, London, Ont.

### CANADIANS HOSTS TO AMERICANS

A pleasant feature of the convention was the dinner at which the board of directors of the Canadian association entertained the trustees of the National association. The dinner was served Monday evening at the Scarboro Golf and Country Club.

### ENTERTAINMENT FOR LADIES

Through the courtesy of the Host Association, the Robert Simpson Company, and the Granite Club, Toronto, all ladies of the convention were taken Wednesday afternoon on a personally conducted tour of one of the great department stores of the continent, and later to visit the Granite Club, where afternoon tea was served.

Simpson's is one of the largest and most handsome stores in Canada and contains a number of features of special interest to visitors, including the Courthouse, Arcadian Court and Avenue House, the latter brought from England and recreated practically in its original state. The Granite Club is one of the finest and best equipped "family" clubs on the continent.

### New System is Success

The meeting of the executive committee Tuesday was one of the snappiest ever held by that body, and kept the interest and attention of the members all the way through. This was due largely to the fact that very few of the reports were read in detail, but were merely summarized by the committee chairman, as copies of them had already been distributed to the committee members. These references to the high lights of the reports served to bring out more expressions of opinion than if the reports had been given in detail.

Chairman Paul F. Clark also assisted in preventing the session from dragging at any point by not following the prepared agenda closely and skipping around on the program so as to intersperse the feature of interest with those that were strictly routine in their character.

### Congestion in Exhibit Room

The exhibits on display in a room adjacent to the convention are attracting great interest and the congestion there is not unlike bargain day at Simpson's or Eaton's—to give both of Toronto's leading department stores a break. THE NATIONAL UNDERWRITER exhibit occupies an entire side of the room. Presiding over that exhibit are George C. Roeding, J. M. Dempsey, W. J. Smyth, salesmen, and L. H. Martin, manager of the book department.

A. D. Lange, manager of the "Estate-O-Graph," is attending in the interest of that service.

Abner Thorp, Jr., editor of the "Diamond Life Bulletins," is expected to arrive.

J. C. Blaine of San Salvador, who represents the Pan-American Life of New Orleans in the Central American republic, unquestionably won first honors as the man coming the longest distance to attend the convention.

When an anti-twisting resolution proposed by the New York State Association was read at the executive committee meeting, one member of the committee understood the sentence urging that companies take action to reduce lapsation as reading "reduce commissions," and was on his feet immediately to protest.



## 2nd Convention Daily

# The National Underwriter

LIFE INSURANCE EDITION

THURSDAY, SEPTEMBER 25, 1930

## SPLENDID GENERAL AGENCY OPENINGS

Excellent territory for new general agents is now open in portions of Pennsylvania, Indiana, Illinois, Oregon and several other States.

If you possess the qualifications necessary to build up a successful general agency, we are in a position to offer a most liberal agency contract with long renewals.

THE PACIFIC MUTUAL LIFE INSURANCE COMPANY is the only large, old-line life insurance company issuing all these popular contracts:

NON-CANCELLABLE INCOME POLICY

MULTIPLE PROTECTION POLICY, "it pays 5-ways"

THE NEW TERM EXPECTANCY POLICY (low rate)

THE NEW FAMILY INCOME POLICY

More than 50% of our sales during recent months have been on our new **Term Expectancy** and **Family Income Policies**.

We also issue a broad line of **ACCIDENT** and **HEALTH POLICIES**.

For further information address

**ARTHUR C. PARSONS,**

Vice-President and Superintendent of Agencies.

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**The Pacific Mutual Life Insurance Co. of California**  
LOS ANGELES, CALIFORNIA

# Climbing to Success

**T**HE RECORDS in our Agency Department tell and retell in actual production figures how life underwriters are climbing to success with the Massachusetts Mutual.

One of the oldest Life Insurance Companies in the United States, the Massachusetts Mutual has created throughout the country a personality of strength and friendliness. It is consistently progressive and is growing rapidly. Its friends are everywhere, and are ever ready to testify to the faithful and efficient service that it always renders. Its representatives enjoy in full measure the necessary counsel, co-operation and service to make every relationship a definite advantage.

We have room for progressive young men who would like to climb to success with the

## Massachusetts Mutual Life Insurance Company

Springfield, Massachusetts

Organized 1851.

*More Than Two Billion Dollars of Insurance in Force*



# The National Underwriter

## LIFE INSURANCE EDITION

### Speakers Join in Education Plea

#### Gives Solution To Old Puzzles

"What Per Cent of Income for Insurance?" Is Answered

#### "Q. & A." SESSION VALUABLE

J. E. Bragg Presents Multiplicity of Selling Ideas in Responding to Questions

Convention Headquarters,  
Royal York Hotel, Toronto, Sept. 25

"What is your answer to the article by Max Epstein in the September 'American Mercury'?" Thus started one of the most interesting and valuable features of the convention—the "What's On Your Mind" hour conducted by James Elton Bragg, of New York University. Question after question submitted in writing by conventioners prompted Mr. Bragg to deliver selling talk after selling talk, which were gems of ineluctable logic and almost brought the convention to its feet in admiration. In answer to the query about the Epstein article, which was an alleged exposé of life insurance practices and propaganda in favor of state insurance, Mr. Bragg stated: "This illustrates that everything depends on the point of view. If you want to write an article and sustain a preconceived notion it is easy to do if you can handle figures with facility."

#### Shows That Underwriter Is Always Needed

At one time a question was submitted which everyone was sure would stump Mr. Bragg and his answer to that question constituted probably his greatest triumph of the afternoon. "A prospect says, 'I have all the life insurance I need; all that I ever expect to buy; it is all in trust; it has been handled by a good underwriter. I have just bought \$50,000 more and now have \$200,000. I don't want to waste time talking about it today.'"

Perhaps, for once, here was a man with enough life insurance, whose impregnability could not be shaken. But Mr. Bragg shook it.

"I might say to that man," Mr. Bragg responded, "Mr. Prospect, even though there seems to be no possibility of serving you immediately, you are an interesting person to me because you are growing. The fact that you have just bought \$50,000 of life insurance assures me that you are on the rise. In the past few years you have accumulated a few more responsibilities, and you have had the foresight to cover them by life insurance. So, even though I don't sell any life insurance today, I should like to put myself in a position to consult you at a time in the future when you assume more responsibilities. Before I bid you good day I should like to ask several questions in order to secure the information I may need to

#### Present and Prospective



S. T. Whatley, general agent of the Aetna Life in Chicago, president of the National Association of Life Underwriters, and George E. Lackey, general agent in Oklahoma City of the Massachusetts Mutual Life, who has been proposed by the nominating committee as his successor.

bring you a constructive answer some time in the future. If you think they are personal, ask them of yourself.

#### Disturbs Equanimity By Series of Questions

"You say your money is now in trust," he continued. "Are your trust agreements more than one year old? If they are, they may be model T agreements, and you would want to review them now in the light of the development of the laws of New York. Do your trust agreements reserve to you all rights in your policy? There have been many policies that do not, and if that reservation is not made your trust may not do what you want it to do. Are your trusts drawn in such a way as to give your trustee the opportunity, in the event of your death, to keep the income abreast of the changing value in the purchasing power of the dollar, or have they been drawn up in such a way that that cannot be done? Have you had a net worth audit made of your estate? Have you made provision for inheritance taxes, and to set aside money that may be used in a legal way to pay cash to your executors to pay those taxes? Have you allowed for growth in your business? Have you reviewed your will and trust agreements in the light of the new law governing the distribution of property in New York, which has completely changed the structure of intestacy in that state?"

"Have you reviewed the privileges in your life insurance policy? Have you made a critical survey of the services that trust companies can give you, and the splendid service that life insurance companies can give you? Between the two you can set up the only hedge against a possible change in the value of the dollar, because in your life insurance agreements you can have your income in stipulated dollars, in trust

As your property values rise dollar values go down, or the reverse. You get an equilibrium or balance between those two funds which at least hedges against a sharp change.

"Have you studied your life insurance policy and made sure that it is beyond the claims of creditors in the event of your death? As a matter of fact, have you ever sat down and had laid before you the estate problem that your executors will face in the event of your death in the same manner that you would consider any other business problem? Have you made a thorough analysis of every item of expense that they would have to meet, and have you constructed a budget to cover it? If you have not, no matter what life insurance you have bought or what trust agreements you have made, wouldn't it pay you to study that problem, to the end at least of feeling a peace of mind because your present plan is air-tight?"

"I suggest that we review your plan, without any thought of your buying life insurance. If you need more you will recognize the fact, and will buy it. If you don't I cannot force you to do so."

"The only thing to prevent that is a lack of courage to face the facts. After having made such a study you would not stop at putting up a few hundred dollars more to plug any hole there might be. I think you owe it to yourself to sit down at least once a year with a good underwriter and a good trust officer, and to check up these things just as you would check up the balance sheet of your business at the beginning of each year. I think I might do something to help you, certainly I cannot hurt you."

#### What Per Cent of Income Should Go to Insurance?

Another question furnished Mr. Bragg with an opportunity to contribute (Continued on page 32)

#### Leaders are the Learners today

Need for Education Distinguishes Underwriters from Other Salesmen

#### GUESTS ON TORONTO TOUR

Banquet and Revue Tonight Provide Diversion Before Closing Day of Notable Gathering

Convention Headquarters,  
Royal York Hotel, Toronto, Sept. 25

As the international convention of life underwriters progresses and nears the finish, the dominant message seems to be the necessity for greater education on the part of life underwriters. It is not a new message, but the important changes in the financial structure of the country, the growing need for economists to guide the people in this era of readjustment, puts new force in the message.

G. D. Finlayson, superintendent of insurance for Canada, came as near to being a keynoter as any of the speakers when he declared that the feature which distinguishes a life underwriter from distributors of commodities is the fact that the life insurance producer must be educated as well as possessing ordinary salesmanship ability.

Throughout the sessions of the million dollar round table, throughout the general convention, and in the manager's section, speakers were impressed with and they impressed upon their listeners the necessity for sharpening mental faculties and acquiring greater knowledge to assume the responsibilities of distributing life insurance in this day of growing complexity in business organization.

#### Convention Pre-occupied With Trust Problems

The pre-occupation of the convention, especially of the million dollar round table, with the problem of the insurance trust, is an indication of the present day realization of the importance of education to the life underwriter. A period of change in the distribution of life insurance proceeds is in progress and these leaders of the business assembled in Toronto are eager to learn all developments, attempt to predict the future course of the movement, and help to guide its development.

The Thursday business session of the convention adjourned shortly after noon, so that guests might prepare for the pleasant and instructive rubber-neck visit to places of interest in the convention city. Visitors were impressed with the spacious University avenue, which leads to the Ontario Government buildings and which is fringed by handsome structures, among them the famed Toronto General Hospital, (Continued on page 32)

## Following Plan Means Success

Mutual Benefit Leader Tells of Need for Simplified Thinking

### DEFINITE PROGRAM URGED

How Initial Failure in Life Insurance Work Was Changed to Notable Success

By Clay Hamlin

Clay Hamlin, general agent of the Mutual Benefit Life in Buffalo, is nationally known both for his big personal production and the constructive methods used in his agency, which have been adopted as a model by life insurance men all over the country. He has contributed much to the business by interpreting his own plans in such a way that others can adapt them to their needs. He has ranked in the million dollar class of producers for many years.

I have been asked to deal briefly with 1. What the public expects of us, and 2. Our obligation to the public.

1. The public expects three things: (a) Frankness—in stating that we are in the life insurance business and that we are there to sell life insurance.

(b) Brevity—which comes only from careful preparation—by spending perhaps an hour of real thinking for each five minutes that we spend in the presence of a prospect. Such concentrated study will simplify our thinking and increase our power. We shall then be entitled to the advantage which will be ours.

(c) The public also has a right to expect ideas of value.

The popularity of life insurance and of life insurance salesmen will increase in proportion to the value of our ideas.

### Must Become Familiar With Men's Situation

Our ideas can be of value to men only—when we become familiar with their situations—when we know something of the things they hope to accomplish. We have found that most men, if given an opportunity, are glad to discuss their situations frankly.

Perhaps if we will ask questions of men—instead of telling them what they ought to do—give them a chance to really think and seek the truth about their situation—they may be able to discover facts about themselves which are not satisfactory. Then, we shall be placed in the position of knowing exactly what their needs are—thus omitting guesswork and propose only, ideas which are of value.

### How Obligation to Public Can Best Be Fulfilled

Our obligation to the public can be fulfilled through:

1. A burning desire to accomplish something.

2. A very definite objective (written). (We say written because one cannot write a thing without thinking it through).

3. A dogged determination to carry out our program.

I have been asked to be rather personal to-day and talk to you of some of my early experiences in this business. I do this only because of the possibility that it may offer some encouragement to new men or others who have not yet developed the strength which comes from definiteness.

In 1915 (my first year) I paid for \$60,000. The second year my business decreased to a total of \$50,000. By 1916 I had sold my home, my automobile,

## Pittsburgh's Aerial Boosters



This picture shows the delegation that flew from Pittsburgh to Toronto to present the Smoky City's case for the 1931 convention. Those in the party, left to right, are: Lieut. J. H. Neale, pilot; Secretary Howard, Pittsburgh Chamber of Commerce; Lee D. Hemingway, Connecticut Mutual Life; Jay M. Holmes, vice-president Pittsburgh Association; F. L. Andrews, manager William Penn Hotel; H. L. Andrews, secretary Pittsburgh Association.

had borrowed as much money as possible from my general agents, so, in order to get some money with which to live and pay my creditors I left the life insurance business.

May I recommend that if you ever become bored with the life insurance business that you quit it—take a job and get far enough from it to really appreciate its golden opportunities.

In 1917 I came back and paid for \$132,000.

All during that year A. S. Johnston attempted to convince me of the need of a program of objectives. He attempted to persuade me that if I would but think out—and write out—a program and stick to it, my worries would soon be behind me.

The following is the result of that first attempt at self-organization—(nearly 13 years ago):

### Objectives Outlined Years Ago Reviewed

"Let me take stock, look backward and forward, and see if the visions of six months ago are to become the realities of six months hence. I am confident they will, if I hold myself tensely to my task. My desired results will be obtained with absolute reality and certainty, and with the omission of dry periods or slumps, if any pace or program of effort is maintained. The strength of my organization must be standardized product, and a standardized method of producing it. There must be one best plan for married men with children, which is my best field.

"There must also be a definite system by which I can get maximum results. I must find it and then use it to the exclusion of everything else. Of course, by adopting this method I will at first lose some business, but by this method eventually my returns will be a hundred-fold.

"This is an age of specialists, of concentration, and the Ford Motor Company is a fair example of the outcome of concentration and standardization.

### Man Can Accomplish Whatever He Desires

"Henceforth I shall proceed independently of all men in both thought and action. I must strive to be a leader, as I am no longer content to remain with the crowd. I believe, like Marden, that a man can accomplish whatever he desires, if he desires it with his whole heart and soul.

"I must insist on a strict discipline of

myself, that I may become more efficient, more thorough, more tenacious.

"If I am to do one million a year I must have a definite program. How can it be done? First, sub-division of prospects, as follows:

"Class A. Those capable of buying \$10,000 and upwards.

"Class B. Those capable of buying less than \$10,000. Second, by having a minimum standard of work, as follows:

"Class A Prospects—One interview with a new prospect each day, by appointment, if possible. Class B Prospects—One interview with a prospect each day, either with or without appointment.

### Results That Intelligent Efforts Should Produce

"This effort, if applied intelligently, should produce the following results:

Class A—1 case each week,	average \$15,000 .....	\$15,000
Class B—2 cases each week,	average \$5,000 .....	10,000

Total each week .....	\$25,000
Total in four weeks .....	\$100,000
Total in ten months .....	\$1,000,000

"Of course, it is difficult to tell in advance in just what class a prospect belongs, but there are ways of securing in advance information which will be of tremendous value, as a man's position, the minimum amount which he says his family requires to live on; through introduction cards and various other methods, which, no doubt, will be of great value.

"We have at times experienced difficulty in securing an interview with Class A prospects daily. However, there is no excuse for not having an average of one interview each day.

"With reference to Class B, there is no reason why I should not have at least one interview daily. If I do not, there can only be one reason—shiftlessness.

### Saturdays and Holidays Are Not to Be Excepted

"Saturdays and holidays in this program are not to be excepted. In other lines of business where people enjoy a holiday they are obliged to make up the work the day before, or the day after. The only exception will be Saturdays during July and August, illness, absence from the city and other contingencies over which I have no control.

"I am convinced if I can discipline my-

self to religiously carry out this interview program I can write one million a year. 'He can, who thinks he can. I must always remember what Roosevelt said when he was asked to what he attributed his success. He answered: 'I have not succeeded.' 'No real man ever attains success.' So it must be with me. I shall never sit down, swell up, look back and say, 'I am satisfied,' for I believe there are greater things ahead.

### Success Does Not Always Come in One Day

"Still I must remember that success does not always come in one day. Montesquieu says: 'Success in most things depends on knowing how long it takes to succeed.' When Benjamin Franklin started in the printing business in Philadelphia he carried his material through the streets in a wheelbarrow. He hired one room for his office, workroom and sleeping room. He found a strong rival in the city and invited him to his room. Pointing to a piece of bread from which he had just eaten his dinner he said: 'Unless you can live cheaper than I can you cannot starve me out.' What a lesson this is in determination, patience and economy. If Benjamin Franklin, with all his intelligence, had to do this to succeed, what chance have I if I only work one hour each day and disregard economy?"

### Paid Business Increased \$700,000 in One Year

The attempt to hold myself to the 1918 program was the most difficult task ever attempted—but the paid business that year increased from \$132,000 to \$832,000. A jump of \$700,000.

From then on all was easy because systematic activity had replaced the old habits; and so it would seem that the discussion of sales ideas and technique are of minor importance to some other things.

When a man enters this business he will find that some aids are furnished by the companies, the agencies, and the pioneers who blazed the trail of American life insurance.

He should also realize that there are some things which he must supply.

In this life we either discipline ourselves or we are disciplined by the world.

Men succeed mostly because of the will to win. In our business we need the will to sell. We need the will to carry on day in and day out just as one must in any other business. Experienced managers tell me that men who do this have no problem.

### Four Suggestions for Successful Program

1. An Objective: (written and revised quarterly).

What you intend to do.

How you intend to do it.

Such a program should include plans of study and contacting for the purpose of increasing our vision—and knowledge of life and business—include your financial plans.

Renewals—first years in business. Don't increase living standard faster than first year earnings. Consider first commissions earnings and treat renewals as capital—refuse ever to spend them. You will automatically force (Continued on page 31)

### OFFICIAL SLATE FOR YEAR IS COMPLETED

The nominating committee at its meeting Wednesday night completed the slate of officers of the National Association for the coming year by the selection of Arthur S. Holman, manager of the Travelers in San Francisco, as the nominee for fourth vice-president. Selections already made for the other posts are: President, George E. Lackey, Oklahoma City; vice-president, Albert E. Storer, Indianapolis; first vice-president, C. C. Thompson, Seattle; second vice-president, C. Vivian Anderson, Cincinnati; third vice-president, George L. Hunt, Cincinnati; secretary, Lee D. Hemmingway, Pittsburgh.



# Riehle New Head of "Millionaires"

## Trust Company Relations Close

### Most of Million Dollar Producers Have a Definite Connection

#### REVIEW MANY PROBLEMS

#### Questions of Procedure in Connection With Trusts Considered at Round Table

In the consideration of the relation between life underwriters and trust companies at the million dollar round table, one of the questions discussed was:

Do you have a working relationship with one or more trust companies?

**CHAIRMAN DAVIDSON:** There was a time when I was not working with any trust company or bank; I was just out selling insurance. I presume, however, that every million dollar producer is co-operating with at least one bank or trust company, and that he is assisting them and they are assisting him.

The next two questions are: Do the trust companies in your opinion meet you half way? Do they give you letters of introduction as per the plan that the Marine Trust Company, Buffalo, has been using for several years?

#### Many Trust Companies Won't Give Letter of Introduction

I know quite a number of trust companies that think they should never give a letter of introduction. Some years ago the Marine Trust Company of Buffalo decided to do so. From time immemorial the banks have been giving letters of introduction to coal men, steel men—almost anyone who asked for them—and the trust company didn't see why they should exclude life insurance men, and finally decided upon a form of introduction that could be given to them. They excluded only their board of directors, at the start. The letter stated that Mr. So and So had asked for the letter of introduction. I heard from their insurance trust officer that they were still using those letters, but I think they cut out that part of the letter saying that it had been asked for, and have made the letter broader than it was at the start. In other words, their letters were more liberal after they gained some experience.

**Questions:** How can the trust companies in your community help you more than they do now, without injuring their own standing? What in your opinion is the most helpful thing any trust company in your city is doing?

**MISS SARA FRANCES JONES,** Chicago: One of the finest activities that we have had in Chicago has been the life insurance trust course. At first I was the only woman among 62 men. When I went to that course there was a double session, half the period being given to life insurance men, and half to the officers of one bank that co-operated. I think the cost of the course was \$25. An examination was held and a diploma was issued.

My business has almost doubled since I studied for that course—and you had to study—and it brought me in touch with the trust officers of the banks in Chicago, where I have placed quite a number of trusts, and furthermore it has given me their co-operation. I have never had a letter of introduction,

## SALES QUESTIONS ON ESTATE PLANS Million Dollar Round Table

1. In selecting prospects which kind do you select?

A. Any prospect who seems easy to sell regardless of how small the amount or whether he fits into the class you specialize on, or

B. Only those prospects whose income exceeds a certain amount, or

C. Only those prospects who fit into the plan you use, or

D. Do you definitely plan in advance to solicit a certain number of large cases during the year, for example:

1 case of \$1,000,000 or more

2 cases of 500,000

6 cases of 100,000 etc.

2. Do you use introductions from others? If so, what kind do you prefer? A. Letters; B. Their cards; C. Your specially prepared cards; D. Telephone. Why?

3. What have you found to be the most effective method of getting prospects?

4. Have you ever used an "advance man," and if so, do you think the method is efficient and profitable?

5. Do you try to make an appointment by telephone before seeing the prospect?

6. A. Do you merely secure information and make an appointment at the first interview so that a definite proposal can be made later, or do you endeavor to make the sale on the first interview?

B. What percentage of your sales are closed on the first interview.

7. In your approach do you discuss insurance first, or do you talk about trusts, wills and estate planning to arouse interest and discover insurance needs and then suggest the advisability of covering these needs with insurance?

8. Do you use written proposals exclusively or for special occasions? or

tion, but I have had the trust officers call me up when some client of mine has gone in and they happened to know that it was my client, and in this way I have been given the opportunity to write more insurance. We have had remarkable co-operation from the banks in Chicago.

**W. R. BAKER,** Newark, N.J.: We are very fortunate in our city in having a trust company whose co-operation with us is splendid. Last year they gave a series of lectures from their legal department and tax department, and invited the underwriters to come there at their expense. They have a big auditorium and for three months we were attending those lectures as their guests. We could go there at any time day or night and they cooperated with us in every way possible, even calling us in to close cases. We find in Newark we are having splendid help; they are meeting us more than half way.

**C. V. ANDERSON,** Cincinnati: I believe I have something new to tell you on this subject. Last week I talked to a financial advisers' group at Louisville, talking particularly to trust solicitors from all over the United States.

It is very interesting to know that all over the United States the trust solicitor is a little miffed, feels a little bit hurt, because he is endeavoring to help the insurance man in connection with his problems of setting up the proper method of taking care of a man's estate, and in a lot of cases helping the insurance man in writing \$50,000 or \$100,000 or more of insurance, and seeing the insurance man going out with a large commission, when he is being paid \$5,000, \$6,000 or \$7,000 a year, and he is wondering why he

are you opposed to using them at all?

9. Do you use a "habit talk" for any of the following purposes? A. To introduce your subject, or B. To explain it, or C. To close; or are you opposed to "habit talks" for any part of the sale?

10. How many interviews do you average per day?

11. Does your paid-for volume increase with more or with less interviews per day?

12. What has been your experience with motivating stories? Can you tell us briefly the most effective one you have used?

13. Do you attempt to save income tax to provide part of the premium or do you endeavor to relieve the death tax burden?

14. Do you give advice on taxes, trusts and wills, or do you employ an attorney for this purpose or do you refer these subjects to the prospect's own attorney?

15. Do you find the fact that life insurance is free from all death taxes, attorney fees and administration costs, if the wife pays the premiums, is an effective sales argument?

16. A. Do you have a working relationship with one or more trust companies? B. Do the trust companies in your opinion meet you half way?

C. Do they give you letters of introduction as per the plan the Marine Trust Company of Buffalo has been using for several years?

D. How can the trust companies in your community help you more than they do now, without injuring their own standing?

E. What in your opinion is the most helpful thing any trust company in your city is doing?

should not have a dig-in on this commission. I am not talking about men from Chicago or from San Francisco, but I am speaking of men from all over the United States who were talking in that way to me at Louisville.

#### Watch Step or Trust Companies Will Cut In

There have been warnings sent out from time to time to insurance men that they should know their business; and I think we should watch our step when handling insurance for the trust companies, to do enough work so as to entitle us to our commission, and not let the trust official think he has put it across and that he should have the commission. Every man around this table ought to know enough about his business and about wills and taxes and everything else so that he would not have to have any man connected with a trust company sell the business for him. When he takes the business to a trust company it should be well sold and lined up that he will get the commission on it and it will not give the trust company a right to come in and cut into the insurance business, as eventually they will do if insurance men do not watch their step.

#### Too Many Men Going in With Half-Baked Schemes

We are a small group of men, but there is still a larger group of men producing \$500,000 to \$1,000,000; and there are some men in our city producing \$250,000 to \$500,000, and what are they doing? They are going in to the trust company with half baked schemes and expecting the trust officer to put the thing across while they rake in some easy money. You men in your cities and we in our city should know (Continued on page 25)

## Cover Business With Insurance

### Writing of That Form of Protection is Topic of One Section of Round Table

#### TESTED PLANS PRESENTED

#### Big Producers in That Field Tell of Methods Used, Opportunities in Field

At the concluding session of the million dollar round table Wednesday afternoon, Theodore M. Riehle of the Equitable Life of New York was selected as chairman for the coming year. His associates on the committee will have charge of the arrangements for the round table session at the Pittsburgh convention next year are Earl G. Manning, John Hancock, Mutual, Boston, who acted as chairman this year, and Robert A. Brown, Pacific Mutual Life, Los Angeles.

At the luncheon table cards were sent around by Mr. Manning for the purpose of securing information as to the age, years of experience in the business, amount of personal insurance carried and business written for the year by those in attendance. The returns showed that the average age of the 53 present was 45, that they had been in the business on an average of 15 years, carried \$115,000 of personal insurance and that the average writings were \$1,500,000.

An interesting comparison with this information was offered by another questionnaire later in the session, in connection with the discussion of trust company service, on the question of how much business the various life underwriters present had turned to trust companies. The returns, with 25 reporting, showed a total of \$82,465,000, or an average of more than twice the average amount of life insurance written.

#### Notable Suggestions on Business Insurance presented

The first section of the afternoon session was devoted to a discussion of business insurance, with Theodore M. Riehle presiding. Some of the notable suggestions presented in that discussion were:

**MR. RIEHLE:** Something has been said about big business being "out the window" more or less. I read that statement some months ago, and it stirred me very much. I am not "high hat," but I like to go after big business, because when it drops it is beautiful.

In order to test that idea, I am going to tell you about a case that has not been written. Coming in from my home town several months ago I heard a name mentioned, and I made a note of it. I looked up this bird in "Who's Who," and also looked up his company and then I wrote him a letter. It was a good letter, I think, a short letter, and I got a reply. I made an appointment with this man, who was one of the industrial giants of America, and got in to see him. There was no subterfuge. The heading on my letter paper distinctly said "Insurance."

#### List of Big Policy Holders Used as Entering Wedge

He said, "What can I do for you?" Then I gave him the Clay Hamlin line. He said, "I am not interested in insurance." I said, "I know you are not. If you were you would have phoned me long ago." I used some tact, and smiled

—a pat on the back so to speak. My entering wedge was a list on my letterhead of the largest owners of life insurance in the world, headed by Irene Dupont. It is an interest creator. I said to myself, "You had better 'give it the gun,' because if you don't you are out of the door." I had studied the report of this company; it makes \$30,000,000 a year, and \$1,000,000 wouldn't have meant anything to it. I figured about \$8,000,000. This is just a dream remember, but it illustrates that the business is there if you go after it. I submitted a proposition for ten million right then and there. I related the cost of that to the earnings per share of stock, and also the unit of currency in which the company traded.

#### Fear of Publicity May Block Closing

Only one thing has stopped that case being written, and that is—a certain personal relations counsellor introduced it—a fear of what might happen if it came out that this man had been insured for \$10,000,000. The point is that that business is going to be written unless I get the boomerang of publicity, which would make the public ask, "Why should that guy be insured for \$10,000,000? What is the matter with his company?" You know, reverse English. In other words, the point is that there is still plenty of big business around and plenty of smaller business.

#### Case Develops New Need of Business Insurance

I had personally this year a million dollar death claim on a line of insurance bought three years ago last February.

I think a new need of business insurance has been developed through that case. A friend of mine, was appointed executor of this particular individual's personal estate, as distinguished from the business insurance. Out of an estate of \$10,000,000, in the state of New York, an executor gets 2 per cent, or \$200,000 in fees. It was a simple thing to tell this man that if he died the executor's fees would be lost. Therefore there was another \$200,000 policy made out to cover the executor's fees.

#### Annuities Much Neglected for Business Insurance Purposes

One's own experiences are interesting. I found that annuities, on the annual deposit plan, which in my company are known as retirement annuities, are very much neglected for business insurance purposes, and can be used in cases where business insurance is already owned. Annuities are a good field to sell business concerns as an investment, as distinguished from business insurance as such.

I made an analysis of my personal business and found that half of what I had sold in the last five years I can attribute not to a knowledge of life insurance but to a knowledge of things other than life insurance. That analysis proved to me that the C.L.U. idea is a pretty marvellous idea.

Then I have found that a man pyramids his insurance. That is, if he has accumulated \$50,000 of insurance in little bits, when he makes his next purchase it will probably be at least \$50,000. In other words, he doubles on the way up, which might make a good measuring rod for business in the future.

#### Ledger Statement Helps Head off Term Insurance

I have found a ledger statement, which is an old and simple idea, is a very fine way to overcome the purchase of term insurance. I had some business in New York, a short time ago, in which term insurance was asked for. I do not like to sell term insurance. By simply laying down a ledger account I showed that about in five years the ordinary life policy caught up, and pointed out that if the man was going to die before the fifth or sixth year even the ordinary life would make a very fine pur-

chase. So why not buy that which would produce the best results in the event of living? We should all figure to live rather than to die.

I still believe that the personal method is the best way in which to sell life insurance, cutting out the apple-sauce and boloney and getting down to business as soon as you can, by getting the man examined.

#### Research Bureau Film Gives Effective Approach

Last week in giving a lecture one of the Research Bureau's films was used, the name of which was "The First Five Minutes" and I noticed an approach in the way of business insurance. This is Mr. John W. Agent making an approach: "I find that many business men are rated too low in credit reports; they seem to have overlooked one of their most valuable assets." The Life Insurance Research Bureau simply presents that as one of the good lines of approach in business insurance cases. Another approach was the one which says: "Mr. Prospect, I am a life insurance man. I want to discuss life insurance, but probably not life insurance as you understand it." A very simple approach which can be used in business insurance as well as in other kinds.

#### Improve Size of Cases Through Business Insurance

One question Harry Wright of Chicago sent me was this: "What is the best way to improve the size of your cases?"

On the basis of my own experience, I should say that the best way to improve the size of cases is through business insurance, because a man will think in relative times of his business, but it is difficult to get him thinking in relative times of his personal affairs.

Another question from Harry Wright is: "What is the most effective way to change term insurance?"—and that is a tough problem since the stock market crash as I can attest—"What is the most effective way to change term insurance to a permanent plan?"

My experience has always been that the best way was to make use of a ledger statement on both plans; selling the man the idea that you were trying to sell him business insurance for the future more than for today. This has the psychological effect of making him focus his mind on the cash result ten years from now rather than the day after tomorrow.

#### Certain Outstanding Matters Which Appeal

I have found that there are certain outstanding matters which appeal in business insurance. One is the improvement of the credit standing of a firm. That is why this thing of the Life Insurance Sales Research Bureau appeals to me. It goes to the very heart of business—the strengthening of one's credit.

There are two other things that seem to appeal. One is the good will idea, where it appears in the financial statement. If it is there, underwrite it in business insurance.

Thirdly, the average small corporation usually has its loans endorsed by the officers of the corporation.

JULIAN S. MYRICK, New York—I was very much interested in a statement made that the jumbo lines were by degrees going to disappear, and that the people who earned between \$5,000 and \$10,000 a year would be the main dependence. My personal opinion is that inside of the next five or ten year \$5,000 policies will be industrial insurance, and that \$100,000 will be the average; that the jumbo lines have come to stay, and that you are going to make that possible and see that it is well done.

The only fear that I have is that the underwriting departments of the companies are not up to handling and understanding the philosophy of the larger risks. You are selling human values, and the human values of this country are increasing. There are more bigger

men today who are insurance-minded than ever before. Therefore it is up to the companies to train themselves—to understand the philosophy of human values as applied to economic and business, and to give proper direction in that phase of industry.

WILLIAM M. DUFF, president Edward A. Woods Company, Pittsburgh: It may interest you to know that group insurance can be used as business insurance. In the setup of the Woods Company, where there are some 88 stockholders, in the event of the death of any stockholder the company has the option to acquire his stock. It may be inconvenient to acquire that stock, unless insurance is used. Also, in a group of 88 people there may be some who are uninsurable. Apply the principle of group insurance. How under a group insurance policy is it possible for other than a member of a man's family to be a beneficiary? That need not worry you, because in your trust agreement you can stipulate that any insurance on the life of the stockholder and paid for solely by the company will be considered a payment on account of the value of the stock at the time of death. That thing has worked out very satisfactorily to us. Some one here referred to a company where the mortality tables showed that the directors would all die within 11 years. I am sorry to say that I believe within the next few weeks there will be occasion for us to take back the stock of another of our stalwarts, who is likely to pass away. He has not been insurable for some time, but this group idea worked.

#### "Young Fellow Named Duff Handles All My Insurance"

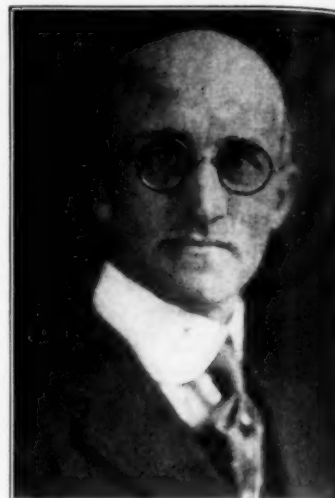
Up near Williamsport, one of my policyholders had a blowout and we were fixing the tire when a gentleman came up and said, "Where are you people from?" We told him we were from Pittsburgh and he said, "Do you know a company named Woods there?" And I said I did. He said, "I give them about \$5,000,000 of business a year that my company does not take." I gave you my word that there has not been a dollar's worth of business come in to the Woods Company in many years except through its agents. I was up in Harrison at a dinner, and a gentleman sat down by my table and asked me how was business. I said "Pretty good." He said, "What business are you in?" I said, "I am in the insurance business." He said, "I am from Pittsburgh and I carry all my business with the Equitable, and a young fellow there named Duff, who succeeded Mr. Woods in business, handles all my insurance." I give you my word that I never saw the man in my life, but I did not call his bluff.

#### Ethics Just As Important As Knowledge of Business

I am strong on the ethics of the life insurance business, the integrity of the million dollar man and of the man who aspires to be a million dollar man, and the equipment of such a man to do a good job, in serving those who buy life insurance. In connection with the C.L.U. division of our work, there has recently been appointed a committee on ethical standards, and I can assure you that the men and women who have qualified for the degree, in addition to their educational qualifications, have qualified in the matter of ethics and proper standards before the diploma is granted. We all know that it is necessary to have a knowledge of the business, and I am sure we all agree that the necessity for proper ethics is just as important.

H. A. BINDER, Massachusetts Mutual, San Francisco: I have a man in my organization who works in a little town. He averages not less than 25 paid-for cases every month. His average policies run about \$4,000. Last year he paid for \$1,062,000 of business. He has been in business for six years, and he works on a plan of approaching people

## Millionaires' Head



EARL G. MANNING, Boston  
John Hancock Mutual Life

on mortgage protection. I do not believe he has ever written a \$50,000 case.

Chairman: Is it business insurance?

Mr. Binder: No, mortgage. He approaches everybody on mortgage protection. Of course, he will write business insurance, but I am just dealing with a thought that was suggested, that you can write a lot of business in small policies if you have g-u-t-s to go after it and work.

Earl G. MANNING, Boston: Nothing has been said about a partnership retirement. I feel that some poor partner ought to have something said in his behalf. I should say that 75 per cent of the business insurance I write is tied up with agreements providing that certain things shall be offered for sale, and certain things acquired by life insurance. I have the policy made to the trustee, and all the documents kept in the one place, so that if death occurs, the trust company collects the insurance and the stock goes to the proper person. In that way there is no miscarriage of justice and the survivors can buy the stock. I am strong for partnership insurance.

CHAIRMAN: My appeal is always on the replacement of the brains rather than on the replacement of the stock, because in my state I can use as a collateral argument the fact that if a corporation is solvent it can buy its own stock.

DELEGATE: I try to handle my approach in such a way as to find the weak spot. If I create an interest in stock retirement, I drop the idea of brain replacement.

CHAIRMAN: I have always felt that my plan was to sell life insurance first and to service it afterwards, rather than to service it first and sell it afterwards.

W. H. JACKSON, Cleveland: Sometimes it is impossible to effect a stock transfer. In one case it required the vote of holders of at least 66 2/3 per cent of the stock. They were desirous of making a transfer, but I was stumped as to how it should be done. Several others were stumped too. It was put up to an attorney, who worked out an agreement with the stockholders, by which the insurance was purchased and was payable to the stockholders of record, and a list of those stockholders, with the number of shares they owned, was made a part of the agreement.



# NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES OF AMERICA

**Albert M. Johnson**  
*Chairman of the Board*

**Robert D. Lay**  
*President*

**Established in 1868**

**But in tune with the underwriting spirit of 1930**

**A fine OLD company for ambitious YOUNG men**

**A few openings for men—**

**striving in the PRESENT with an eye to the FUTURE**

**Address: WALTER E. WEBB, Executive Vice-President**  
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**DIRECT  
MAIL  
SERVICE**



## Prepared Sales Plan Advocated

Chicago "Millionaire" of Mutual Life Says Great Need is Better Technique

### TALK OF GREAT VALUE

W. F. Dineen Says Many Underwriters Do Not Use Knowledge Which They Possess

*William F. Dineen is one of the big producers of the Mutual Life of New York and is educational adviser of the Samuel Heifetz agency of that company in Chicago. He paid for \$2,965,000 last year, of which \$2,250,000 was a single payment on three lives in a business. He has specialized on selling life insurance through estate analysis, or for stock retirement or other purposes in a business.*

Exhortation to standardize sales presentations and the business of obtaining information about prospects was made to the life underwriters of the two countries by William F. Dineen, "millionaire" producer of the Samuel Heifetz agency of the Mutual Life of New York in Chicago.

Mr. Dineen admitted that he leaned toward prepared sales talks, largely because he is a product of the highly efficient sales school of the National Cash Register Company, for which he worked in the past. His address in part is presented herewith:

#### Greatest Competition Always Will Be Quality

"You will at once agree with me that perhaps our greatest competition is now, and even in greater measure will continue to be with quality and not quantity within our own ranks, but after all, the kind of quality that produces quantity of good production.

"That the public is demanding of us a more comprehensive service; that the buyer of life insurance is more and more judging us by our ability to render specialized service in the widespread phases of our business; that the necessity for knowledge and the ability to impart it imposes upon us the need to be studious and day by day to make progress in the mastering of those things which it is quite necessary for us to know, are quite well recognized facts.

"While our business has inherently all the elements that go to make it a profession, I am personally inclined toward the belief that we would do no injustice to ourselves, but on the other hand perhaps render ourselves a signal service, were we to consider ourselves business men—full-fledged business men—possessed with knowledge of business principles and economic laws—qualified and able to talk business to business men in the language that business men understand, and in a business like way with self assurance and conciseness and the force of logic that carries conviction of the kind which business men demand.

#### Urges Stopping For a Moment to Take Stock

"If the enlarged scope of business itself is demanding the better trained men who have an understanding of principles—if the mental equipment, therefore, of the modern business man needs to be greater today than ever before necessary, I would suggest that as life underwriters we pause for a moment and take stock,—that we measure and weigh ourselves so that we can with reasonable accuracy fit ourselves into our proper places where the force behind our concept of where we rightfully belong will drive us to occupy a more dominant position individually and

as a class in the business world than we even now enjoy.

"I would not have you think that I have any quarrel with those who characterize themselves as professional men and not business men. You and I can number among our acquaintances a great many business men of high attainment and success whose predominating qualities would seem to be directly related to their employment of highly ethical practices and scientific use of business knowledge of a specialized nature.

"Our job is a man's job, and to do it properly is a full time job. To equip ourselves to do our job properly requires thorough preparation. It requires study. It requires ingenuity and invention to devise workable methods best fitted to our own personalities. But, let me add, that the piling up of knowledge alone is not sufficient. It is not always true that knowledge is power in our business because the knowledge possessed by a great many underwriters seemingly is not put into action. There are countless numbers of men in our business full of knowledge who do not seem to know how to put it into action.

#### Outlines An Ambitious Program For Business

"When we are prepared with fundamental knowledge of the weak spots to be found in the economic status and social structure affecting the life plans of nearly every man we meet, and by virtue of that knowledge we are able to prescribe and institute practical methods to cover needs; when we are prepared with fundamental, technical knowledge of the various instruments that the institution of life insurance gives us; when we are capable of proper arrangement and application of these instruments into plans that will strengthen these weak spots and with prescriptions in the shape of methods that guarantee to save the social structure from decay or disaster and improve or perfect the economic status; when we are as a class equipped with the proper tool of real salesmanship; when we have given a full measure of our thought to the type of preparation also that is designed to vastly improve our technique; when our tool-kit contains a labor-saving device for use in accomplishing each result to be sought, such as securing worth-while contacts, making the proper approach or effectively presenting whole life budgeting or self-completion plans for those whose needs are by proper analysis made apparent, we shall have arrived at a higher state of productive efficiency, and the business in which we are engaged will rise to the stature of truly being the economic emancipator of the North American family and the average North American business.

#### Many Facilities Are Offered Ambitious Men

"The acquisition on our part of the necessary mental and merchandising equipment will change drudgery into pleasure and hard work into a game. Our leaders of today, the American College of Life Underwriters, our underwriters' associations, our educational literature, are all furnishing us the means of needed education and they are likewise contributing ideas and plans to us which have been developed in the laboratory of experience, and the man who fails to take advantage of them is as blind as he who tries to drive from Toronto, Canada, after this convention to his home city without looking at the sign posts along the way.

"The standard of ability to handle the ever increasing life insurance needs of our increasing population will be elevated by the force of tomorrow's demands for thoroughness, and above all for better self-management, self-discipline and self-organization on the part of the average life underwriter. His background of preparedness and his consequent comprehension of the final and most important necessity of

standardizing his methods will enable him to correctly aim and definitely reach his objectives. I do not hesitate to say that I thoroughly believe that there is a point where experimentation with the trial and error method should stop and standardize methods of procedure should be adopted instead.

#### Says Good Salesman Is Made, and Not Born

"I thoroughly believe in the use of standardized methods. I believe that a good salesman is made and not born. Life insurance salesmanship is a subject about which we may have opposing views, depending of course upon the extent of our knowledge of the application of life insurance to cover needs and upon the extent of our appreciation of needs to be covered; upon our experiences and our enthusiasms; upon the influences whether inspirational or educational that sales-managerial direction has exercised over us. It might well be assumed however, and with a high degree of accuracy that there are now employed perhaps as many ways of merchandising life insurance as there are persons in the business of life underwriting, which causes me to pause and wonder whether the value of strategy is not entirely ignored and wrong methods or no specific or well-formulated methods at all are generally being used by the vast majority of underwriters.

"This line of reasoning brings me at times quite near to the final conclusion that the exigencies and necessities of our modern life have produced an insurance conscious public, and if this near conclusion is merited by facts, we face tomorrow's danger of becoming too self-satisfied with our own contributions to the increased production results.

#### Constant Improvement In Technique Is Essential

"I firmly believe that constant improvement of technique in our merchandising methods is the biggest requirement of all to be met, and that this improvement so much needed cannot be brought about if we are to depend solely upon personality or so-called natural ability. I am quite definitely convinced also that if we were to analyze the methods of those in our ranks whom we consider to be successful we would find them to be standardized methods. In all likelihood, many of these successful life underwriters would claim no formula or specific plan of procedure is followed by them, and doubtless many of them would be inclined to frown upon the idea that standardization of method is necessary or expedient, but our analysis would show that in spite of themselves they are, nevertheless, using standard vehicles of expression or phrase which are effectively arousing curiosity and interest.

#### Believes Successful Salesmen All Use "Canned" Talk

"It would doubtless show that they are presenting practical, profitable and educational ideas to their prospects after a standard fashion despite their own belief and their own pride in it that they do not use "canned" sales talks or "parrot" sales talks; our analysis furthermore would disclose in a very distinct way the use by them of verbatim repetition and duplication of method definitely classifying their methods as standardized by them.

"It would seem to me that the necessity is forced upon us to use standardized methods as much as possible if we are properly to guide and strengthen our productive capacities with organized knowledge. The much-to-be-desired improvement of technique, in my humble judgment, will be brought about when our merchandising methods are patterned and designed, charted and planned. To perfect such methods should be a part of our study and preparation for tomorrow's demands.

"I am, therefore, ready to say that

## Would Cover Needs



WILLIAM F. DINEEN, Chicago Mutual Life of New York

the successful underwriter of tomorrow will serve the life insurance needs of his clients more effectively and efficiently by reason of his ability to extract from his "bag of tricks" a mental blue-print that was born of study and preparation and designed to define a definite course of procedure to meet any situation which might arise. The measure of the reason for our success and the measure also of the qualification by which we shall be judged will be in proportion to our ability to standardize our merchandising methods.

#### Standardize Methods Chart Course For Salesmanship

"I heartily recommend the use of standardized methods, at least to the extent that we shall know how to be intelligent and instructive and logical, and by standardization our methods will take us somewhere and we shall have a fairly accurate idea of where we are going before we start. There is not one man in 10,000 who has the ability to be logical in extempore talk.

"I am willing to say that if every underwriter capable of logical thinking would construct and memorize several presentations, or at least give severe thought and study to the one best organized way for him to proceed in each situation and then follow that way, the production results would be as astonishing, because the institution of life insurance offers us the means for unanswerable sales arguments, and if they be studied and organized and standardized will give the underwriter the power of a force much larger than himself.

#### Growth in Scope Has Been Great Recently

"The underwriter of today must be prepared for the demands of tomorrow. Just a few short years ago—not even ten or 12, I believe, the proceedings of the National convention disclosed no discussions dealing with programming or the various plans made possible through beneficiary stipulations or the use of installment or income settlement options; there were no discussions about wills, no discussions of importance relating to the value to the underwriter of a working knowledge of living and testamentary trusts; no discussions dealing with executory or testamentary disposition or distribution of general estates; no discussions dealing with trusteeships, trust management, estate perpetuation, estate conservation, estate control, probate procedure, intestate laws, taxation, or the causes and effect of estate shrinkages.

"The underwriter of tomorrow will be obliged to compete with organized

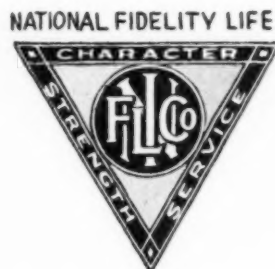


## Badges of Service



Business Men's  
Assurance Co.

*Midland Life*  
Insurance Company  
Kansas City, Missouri



# From *The Heart of America* GREETINGS!

"Come Again!" — our parting words four years ago when the National Life Convention was held in Kansas City.

"Come Again!" — our standing invitation to the National Life Convention.

In sending our greetings and assurance of our hearty support of the National Association of Life Underwriters, we want to reiterate again our invitation to the National Life Convention to come again to Kansas City not years hence but soon.

Located at the cross-roads of the Continent, many of you are this way at some time each year, so on these occasions as well, you are urged to visit us.

**Business Men's Assurance Company of America**  
*W.J. Grant ~ President*

**Kansas City Life Insurance Company**  
*J.B. Reynolds ~ President*

**Midland Life Insurance Company**  
*Daniel Boone ~ President*

**National Fidelity Life Insurance Company**  
*Ralph H. Rice ~ President*

knowledge. He will see the need to standardize his methods of work and his methods of procedure. He will have need for a successful method of securing correct information from his prospect which will enable him to properly 'diagnose his case.' He will have a standard method to guide him in properly presenting his recommendations. He will have a standard method which will automatically furnish the conclusion as to whether or not he should make an oral analysis on the spot, or a written analysis, and of course, a written analysis pre-supposes the necessity for a two-call system.

#### Paints Picture of Able Life Man of Tomorrow

"He will have a standard method of presenting the valuable ideas and principal reasons for the institution of stock retirement, or partnership liquidation plans. He will have a standard method of training through the eye as well as the ear with pencil graphs and charts. He will have a standard method of making a proper approach and arousing the proper kind of genuine curiosity in his approach.

"He will be far removed from the high-pressure man, but will instead be

the high-capacity man. His ability to meet the competition with quality will be founded upon his knowledge gained through preparation which will be so organized that he will impart and apply it with the aid of standardized methods and thus his vastly improved technique and his thoroughness of analysis bring him to his higher estate as the creator of indestructible estates and the wise conservator of the earthly possessions of men."

#### MANUAL HAS ITS TROUBLES

The new manual of local association practice, which Managing Director Roger B. Hull stated in his report was now ready for distribution, has encountered almost every imaginable sort of snag, and therefore was not on hand at the time of the meeting of the executive committee at which Mr. Hull presented his report.

The first printing plant which was engaged to publish this manual burned. The second went into bankruptcy, and it was necessary to enlist the aid of the sheriff to get the type out of the receiver's hands and proceed with the publication work. Then when the copies arrived in Toronto, they were held up by

the customs and had not yet been released at the time when the report was made.

#### DR. SWANSON WILL NOT APPEAR

Dr. W. W. Swanson, professor of economics at the University of Saskatchewan, who was to have delivered an address at the Friday afternoon session, notified the convention that he will not be able to keep the engagement, having been called to attend the Imperial Conference in London. He was to have addressed the association on "Life Insurance and Economic Progress."

#### Makes Hit as Conductor

W. Davidson Thompson received a glowing tribute from Mr. MacInnes as the "great Scottish Baritone." Whereat Mr. Thompson, who is a member of the home office staff of the Great West Life in Winnipeg, warmed up the convention in leading, "Hail, Hail," interjecting a Scotch version. Joe Lyon, also of the Great West, was the pianist.

The lilt and obvious enjoyment with which Mr. Thompson performed dispelled any early morning dullness among conventioners.

## Whatley Seeks Full Cooperation of Two Nations

In responding to the addresses of welcome at the opening session, S. T. Whatley, president of the National Association of Life Underwriters, praised unstintingly the spirit of hospitality which had already been evidenced by the Canadian contingent and the notable cooperation which had been given by the Dominion representatives in the preparation of the program for this meeting.

"These international conventions, where our associations may meet each four years and discuss our common problems, are not only helpful to us as life insurance men and women, but also as citizens," he said. "Through these meetings we get better acquainted, and acquaintanceships ripen into friendships. Friendships form the basis for confidence and respect—and is there anything quite so desirable to either of our countries as that its peoples shall have that mutual feeling of friendship, confidence, and respect, so essential to the future welfare of two great English speaking nations, separated only by an imaginary line.

#### No Serious Misunderstanding Has Ever Yet Arisen

"For more than a century and a half these two great peoples have jointly occupied and jointly taken pride in the development of this great North American continent, and during all of this time, not one serious shadow of misunderstanding has arisen between us. Our channels of commerce and trade flow back and forth and our interests, commercial, social, and otherwise, are so closely interwoven that it is impossible to differentiate.

"We are happy to be your guests and to enjoy your cordial hospitality, and we hope that we may bring to you something of value in the way of a helpful interchange of ideas. It is my hope that out of this meeting there may arise many constructive thoughts and that the life underwriters of our two countries may emerge stronger and better equipped to continue our onward march of progress.

#### Legal Reserve Life Insurance Occupies Proven Place

"Legal reserve life insurance, as conducted in our two countries, has proven itself. It is an institution which through our efforts exerts a splendid influence for good. It encourages thrift, creates self-reliance, and reduces poverty, thereby raising the standards of citizenry.

"Then if this great influence is in our hands to use, let us equip ourselves to assume our responsibilities and discharge them in such a manner as to reflect credit upon both the institution and ourselves.

"But if we are to do these things most effectively, we must do them through cooperation. The life underwriters' associations of these two great countries call on you men and women who have chosen this line of endeavor as your life's work, to join with them in placing and keeping the vocation of life underwriting upon a plane which will challenge the confidence and respect of the North-American public."

John G. Lonsdale, of the Mercantile-Commerce Bank & Trust Company of St. Louis, president of the American Bankers' Association, who was scheduled for an address Thursday morning on "What Lack I Yet?" was forced to cancel his engagement on account of the sudden death of his brother-in-law, who died from heart disease while driving his car.

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## Evolution From Old Type Seen

Ethics of 30 Years Ago Incredible to Life Underwriters of Today

### CO-OPERATION IN CANADA

Successful Methods of Reaching Harmonious Action by Companies, Agents and Departments

By A. N. MITCHELL

General Manager Canada Life

A. N. Mitchell, director and general manager of the Canada Life, commenced his life insurance career in 1901 with the Manufacturers Life, afterwards becoming general manager of the Federal Life, which position he held until 1915. Then he joined the Canada Life as assistant superintendent. In 1926 he was appointed assistant general manager. He is well known in Canada and the United States as chairman of the Life Agency Officers Association, which covers both countries.

One peculiarity of the human viewpoint is that a period of time in retrospect is enormously abbreviated while in prospect the same period seems interminable. Another is that we incline to view the present as a finished product and to feel that evolution ends with today.

Thirty years ago seems but a short time back, but thirty years forward is beyond the probable bounds for some of us. Looking back three decades, I recall that we in the life insurance business then looked upon it as having grown to magnificent proportions. We recognized, of course, that it had some features that required a remedy. On the whole, however, we were inclined to feel that no great changes would occur; that our predecessors had bequeathed us a pretty well constructed heritage; and that while we would naturally try to add to it, yet we could not expect to exceed greatly their accomplishments.

The underwriter of today looks back with rather justifiable condescension on his predecessor of that date. He is inclined, in fact, to be rather incredulous that there ever was a period when rebating, twisting and decrying one's competitors were looked upon as rather necessary tools of the insurance salesman.

The alteration of this viewpoint is so well known that it requires no discussion. It is an alteration, however, which has had much to do with the acceleration of the growth of the business. The change has gained for the representatives of the business a completely altered standing in the communities of this continent and for the business itself a public respect which is only beginning to reap its full rewards.

What are the underlying causes of this evolution? Are these causes still powerful or have they exhausted themselves on the changes which have already taken place? If they are still active where are they leading us? Are the next three decades to yield as great changes as the last three? Is there as great reason today for the young man in the business to expect enormous increase in opportunity as there was for the beginner 30 years ago?

Mankind in almost all its functions appears to travel a road that leads with more or less steadiness from extreme individualism to some degree of cooperative socialism. This appears to apply to business life as well as to national development. In fact, if one were asked to pick from the varied patterns woven into the great fabric of history a single motif that runs through

all, it would appear to be a gradual subjugation of the so-called rights of the individual to the common rights of all.

In the evolution of the life underwriter this influence is plainly seen. The antiquated weapons used by rival salesmen in the early part of this century were merely the marks of a business under the control of strong individualism. At the beginning of the century, however, the road made one of its sudden turns directly towards a more complete cooperation. At that time the Life Underwriters Association, born a few years earlier, began to make its influence felt as a real factor in the development of Life Insurance.

#### Harm Not in Principle But Possibly in Excess

Just about the same period the great New York insurance earthquake destroyed a number of baronial castles which had shown a tendency to make the business tributary to the private needs of their owners. The companies found that to continue their growth they must justify themselves by making the interests of the insurance public paramount. Almost instantly they began to study each other's methods from a new viewpoint and were not long in finding that progress could be accelerated by pooling of information. The last decade has found this type of cooperative study of common problems assuming such proportions that the development of new organizations for the purpose has been such that one cannot prevent at times a fear that the movement in this particular direction may have gone too far and reached a point where the cost of its requirements in time, energy and money may be exceeding the values received. If the pendulum does begin to swing in an opposite direction it will be well to keep in mind that the harm, if any, lay in excess and not in the principles involved.

There can be no question that the principle of cooperative effort has justified itself. The increasing public confidence in the business and its representatives, and the increased appreciation of its benefits combined with other factors have given a wholly unexpected development.

The change in the attitude which has gained this increased public confidence is without doubt the result of closer association. How could we expect public reliance to be placed in us so long as we all persisted in shouting from the house tops that everyone connected with the business, except ourselves, was more or less in need of careful watching?

One of the great factors in men's lives is the desire for public approbation. The closer the co-ordination of the parts of any community the more likely it is that each part will act in accordance with the consensus of opinion as to what is right and wrong.

#### Closer Agreement On Questions of Ethics

One of the outstanding changes in the life underwriters of this continent is their greater unanimity of opinion as to what constitutes proper ethics in their business as well as a greatly increased desire to follow such ethics. The millennium is not here as yet. The brigand of business still exists but his successes no longer receive plaudits from the onlooker. Volume of sales is beginning to give place to other measuring rods in studying success.

It has been suggested that I should give a brief reference to one outcome in Canada of this cooperative tendency which at present seems unique. It furnishes a rather remarkable illustration of the evolution which is going on. I refer to it with some hesitation today because in Canada our circumstances as to population, extent of territory, number of companies involved, are so peculiarly our own that no result reached under such circumstances can be expected to be applicable elsewhere.

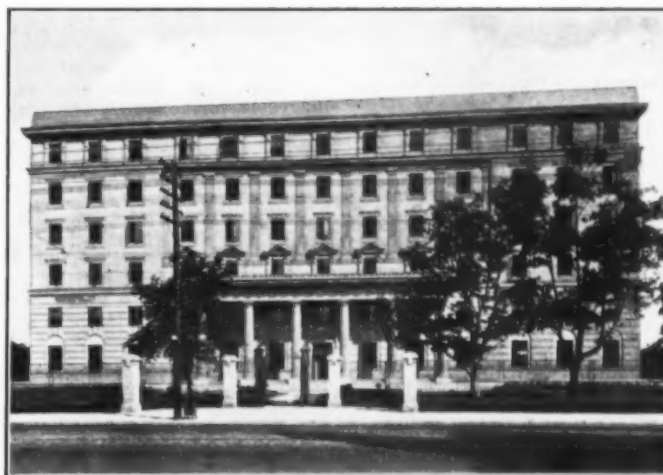
The first country wide cooperative life insurance organization in Canada was the Life Insurance Officers' Association. This was in the beginning an organization of the chief officials of the companies doing business in this country for the purpose of discussing mutual problems. These mutual problems have always had to do largely with questions of proposed legislation, provincial and federal, which directly or indirectly affect the business.

#### Association Led Into Legislative Problems

Some years later the Life Underwriters Association developed. This association developed in Canada much along the same lines as in the United States. It devoted much of its attention to improving the ethics and standing of the underwriters, but circumstances soon forced it to consider readjustments of legislation. This

led to peculiar difficulties in the organization itself. There was always a desire on the part of the central committee to make legislative proposals such as would meet with the approval of the country wide organization. At times these attempts did not work out successfully. Legislation advocated by some provincial organizations did not at all times meet the hearty approval of the underwriters of other sections. Often also, the company organization could not see eye to eye with either.

A third organization had developed known as the Canadian Life Agency Officers Association. This group met principally to discuss agency development questions. They were naturally affected, however, by the legislative questions so often under discussion. While they naturally were closely affiliated with the Life Insurance Officers' Association, yet at the same time the daily occupation of its mem-



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## Views Evolution



A. N. MITCHELL, Toronto  
General Manager Canada Life

bers made this group more conversant with the viewpoint of the underwriters than was always the case with many members of the Life Officers Association.

### Organizations Were Not Always Harmonious

It was evident, of course, that basically the interests of all were identical, that legislation which truly helped or injured each business as a whole helped or injured each of its component factors. Yet lack of ability to get together for discussion led to misunderstandings and frequently led to legislators getting the impression that the various representatives of the business were out of harmony as to what was correct in legislation. Naturally the legislators under those circumstances doubted any advice given, and may I say that a legislator considering laws for a highly technical business without trustworthy advice from experts in the business itself is apt to construct a very dangerous product.

In order to solve the problem there was formed about three years ago a committee composed of delegates from each of these associations. Into this committee all questions of common interest are carried for discussion. The committee does its utmost to find in all such questions a basis for common agreement. It is not in any way executive in its functions, but forms a liaison office where all varying viewpoints may be brought together in the belief that while these viewpoints are honestly held and advocated there is likely only one that is for the greatest good of all parties to the business. When the common ground is agreed upon the delegates take it back to their respective organizations and are usually able to demonstrate that the committee's finding is likely to prove to the advantage of all. The result is that when legislation is under discussion the insurance interests have now a united front.

### Uniform Licensing Act Worked Out and Tested

There are also many details of government departmental supervision of the business that have proved vexatious. Fortunately the committee found in the province of Ontario an insurance department ready to cooperate with it in making some experiments in departmental procedure, with the result that a number of theories have been checked up in practice and the results used to demonstrate whether the ideas have been advantageous or not.

One sample result of this is that we would appear to be fast approaching

the adoption by every province of a uniform licensing act. This act, which is already well advanced in discussion, will not only before enactment have the approval of the vast majority of those engaged in the business but will have been subject to the revision of each one of the provincial departments of insurance, while its main features have been tested out in practice. It should, therefore, when completed, be without opposition from any considerable section of the business. It will not really represent the original idea of any special group but will be the common ground upon which all have agreed, as in the best interest of the business as a whole.

### Unexpectedly Called Upon In Private Arguments

In carrying on the work the functions of the committee have developed at times along rather unexpected lines. For instance, it is becoming common practice for local underwriters associations to send in through their parent body statements regarding local difficulties with individual agents. These are brought to the committee and if on investigation a matter is disclosed which in their opinion might prove disadvantageous to the good name of the business in that community, they attempt to get it remedied. Their method has been to pass on to the company, whose agent is concerned, through the secretary of the Life Officers' Association, an account of the matter and to ask the company to itself investigate the circumstances and, if possible, let the committee know their findings. In many cases this has led to discussions which have healed the situation. If this is not sufficient, and the matter happens to be an Ontario case, it is sometimes referred to the advisory board which the department of that province has provided to investigate difficult cases, which may involve withholding a renewal of licenses. Such references are, however, rarely made until the companies themselves think this is the best way to get the facts into the open.

These local sore spots are often responsible for great dissatisfaction amongst field representatives and policyholders. They often cause difficulties out of all proportion to the matters involved. Hence we have felt that to have found some way to help correct them was a big step in advancing the popularity of life insurance and further benefiting the status of its representatives.

Such developments of the committee's functions are natural since the basic principle upon which this joint committee is founded is that if the various elements of the business properly cooperate they can keep their own house clean and no legislation will be required for their regulation, except such as they themselves request. If this position is acquired in the public mind, the business will be its own best advertisement and the honor of being an accredited life insurance representative will be very justly increased and will attract men of the highest calibre.

### Studious Underwriters Now Predominate

Leaving this special development from cooperation and before closing there should be noted another distinct change in the life underwriter during the last three decades. It is difficult to say with certainty whether this change is or is not due to the increase in cooperation, although one inclines to look there for the seeds that started it. The fact is, however, that 30 years ago it was unusual to find students, in the strict sense of the term, in a group of life underwriters, whereas today the student attitude predominates amongst the successful.

One has only to attend these National and International conventions to appreciate that there are already a number of this student body that have attained that high ground which has always been the ultima thule of the

## Insurance Bills Set Record

An all-time record for introduction of insurance bills in state assemblies was set during the 1930 legislative season when 1,400 measures were tossed into the hopper, according to the report of the legislative committee. This may be contrasted with 1926, the previous high insurance bill year, when 1,070 proposals were submitted to the legislatures. Henry J. Powell, of Louisville, general agent for the Equitable of New York, and chairman of the legislative committee, did not attend the convention to present the report in person.

The committee reported that life insurance men throughout the country have lobbied against ill-advised insurance legislation with notable success. In Louisiana life underwriters helped to scotch a bill for individual and corporation income levy. In Kentucky agitation for assessment of a premium tax on foreign insurers was spiked. In Mississippi life agents were instrumental in burying a proposal for a gross

true student, the right to the title "Master."

It is this increasing desire for knowledge and its proper application that seem to form the greatest common characteristic of the life underwriters of today. As I remember him 30 years ago he was chiefly concerned in learning something about the demerits of his opposition. He was very little concerned in studying the problem of his prospect and the relationship that insurance held to that problem.

Perfection has not yet been reached and I fear none of us will be blessed with the privilege of seeing it. At the same time it is becoming increasingly evident that a real success in life underwriting requires a volume of knowledge which can only be acquired by those having the attributes of student and investigator.

### Change From Hail Fellow To Student Type

Those selecting underwriters today are not looking for the hail-fellow-well-met-glad-hand type of underwriter who sells his business because of contacts made in last night's game of poker, they are instead turning to the quieter earnest type that believes it has no right to a commission on a sale unless some justifiable service has been rendered by that sale.

When one sees this student tendency in control of the cooperative movement, when sales congresses have come to mean elaborate educational programs, when the title of "chartered life underwriter" designates a man who may be accepted by a client as a safe advisor on questions of vital importance in safeguarding his business interests as well as those of his estate, we realize that we have made enormous advances. What a prospect it holds for the beginner of today! Such development will not only continue but naturally must increase its pace. With it will evolve new outlets for the business. With such a growth imminent the greatest ambitions can be satisfied.

We have as yet no right to any excessive pride in the position already attained. We realize that we of today are after all only building a foundation yet we also realize that the stability of the ultimate structure depends upon that foundation. If we could have with us here now an underwriter produced by the next 30 years of evolution in our business, I have no doubt we would be made to feel very humble about our present situation. Yet this much is true, we can at least feel that even if we have not yet learned to run, as will this man of the future, we have at least left the creeping stage, are now walking upright and are able to look the world in the face and speak of the sales methods of our business with just pride.

sales tax and a premium tax increase of one-quarter of one per cent.

### Summary of Types of Legislation Submitted

"The more important proposals relating to life insurance," according to the committee, "included agents' licenses and fees, rights of creditors and beneficiaries to proceeds, group insurance, non-medical insurance, policies on minors, and various aspects of taxation such as premium income, sales and inheritance."

A South Carolina enactment, the committee reported, increased agents' license fees from fifty cents to \$2, \$5, and \$10. Another enactment in the same state increased the premium tax by one-half of one per cent, but through an error the governor has not yet signed the bill. He has indicated that he may not sign it unless it is financially necessary.

Group insurance proposals appeared in various states, the committee observed. A new Mississippi enactment authorizes group insurance for state officials and employees. A law was enacted in Virginia permitting Lynchburg to appropriate to pay a share of the cost of group life, accident and health insurance on city employees.

A Mississippi law increased the amount for which non-medical policies may be issued from \$2,500 to \$5,000.

### New Jersey, New York Increase Minors' Limits

New enactments in New Jersey and New York increased the graduated limits of insurance permitted upon the lives of minors taken out by parent, guardian, or person liable for support of such minor, from the old limit of \$20 to a new limit of \$100 for minors under the age of one; to a maximum limit of \$1,500 for minors between ages of fourteen years and fourteen and one-half years, where the previous limit was \$900.

A new estate tax law was adopted in New York, which, while including for tax purposes life insurance proceeds payable to named beneficiaries, does so only to the extent that any such proceeds are included in an estate for taxation under the federal estate tax, with an additional exemption to such life proceeds of the difference between the total New York general exemptions, based upon relationship, and the general federal exemption of \$100,000.

Mississippi enacted a law providing for the revision of privilege taxes. It provides for a change in agents' license fees from \$10 per county, with \$30 maximum to a \$20 fee for statewide purposes, while industrial agents operating only in one county will pay only \$10. A penalty of \$50 is imposed for each policy knowingly issued by a company through an unlicensed agent.

Kentucky enacted a law providing that deposits shall be made with the insurance commissioner instead of with the state treasurer. Louisiana enacted a law permitting deposits with state treasurer of securities equal to amount of legal reserve on outstanding policies.

While Toronto has been characterized as the most American of Canadian cities, there were a few things to remind the visitors from the United States that they were not on their native soil, one being the decidedly British-looking uniform of the "Bobbies," who also made a decided hit by their courtesy to visitors.

The agency heads of two of the big Hartford companies, K. A. Luther, of the Aetna Life, and H. H. Armstrong, of the Travelers, were on hand early. Mr. Luther was introduced by Chairman Paul F. Clark, at the executive committee Tuesday, as "the boss of our president," S. T. Whatley, of Chicago, who is general agent of the Aetna Life in that city.



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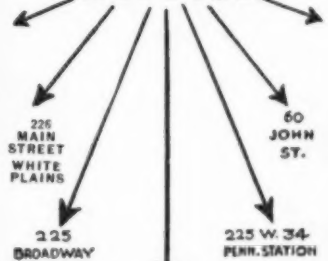
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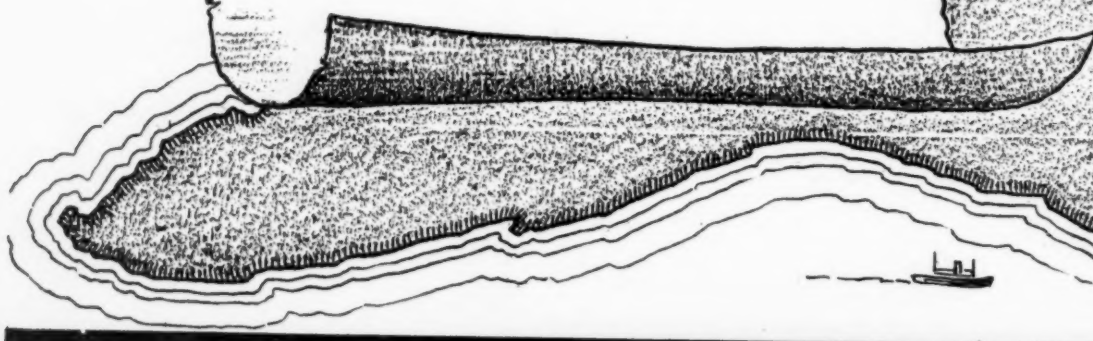
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By O. SAM CUMMINGS

Texas General Agent, Kansas City Life

O. Sam Cummings is Texas state manager for the Kansas City Life, with headquarters at Dallas. He succeeded to the management of the Texas agency on the death of the late Orville Thorp, former president of the National Association and well known among life men all over the country, and has kept up the noteworthy pace established by Mr. Thorp in building up that agency. Mr. Cummings was connected with the home office of the Kansas City Life before going to Texas.

Life underwriting is a profession. A life insurance general agency is a business. Paradoxical as it may sound, life underwriting needs more business-like methods and general agencies need more professional management. The present trend toward the professionalizing of business, when applied to the business of life insurance general agencies, requires a knowledge of fundamental facts about their business which many general agents do not seem to possess.

The general agent is the middle-man in the life insurance business. To justify his existence he must market his product at such a cost that a profit will be made by the manufacturer—the life insurance company. He must be able so to serve his local distributors—his agents—that they will make a profit. In order to continue in business he must in turn make a profit for himself. In the final analysis the combined efforts of the manufacturer, wholesaler and retailer must be focussed upon the production, marketing and servicing of a good product offered at a fair price and properly serviced in order to secure and maintain that public confidence so essential to permanent success.

#### Lock in Bookkeeping Chief Cause of Failures

Someone has said, "The man who knows how will always find a place in life, but—the man who knows why will be his boss." It would be logical to add that no man has the right to be boss who does not know why as well as how of his business.

Professor W. O. Douglas of Yale Law School, who has made an exhaustive study of individual cases of business failure, places at the top of his list of faults which lead to bankruptcy the failure to keep accurate books of account and negligence in applying bookkeeping facts.

As a successful business man the general agent of the future will know the why of his business. He will install and maintain accurate books of account and faithfully apply the facts secured, in the conduct of his business. In view of the limited time at our disposal we will only discuss those aspects of the why of general agency work revealed in a brief and general study of agency costs. In order to get a perspective on the problems of the general agent of the future, let us follow the story of John General Agent, Sr., and his son, John G., Jr.

(Mr. Cummings described the case of an old time general agent who started out 20 years ago. Brilliant in personal

achievement, he failed to analyze the effect of changed conditions. His son, taken into the business, set out to learn the facts of the general agency problem.)

The first step to be taken in securing the facts on costs in his own business would be the installing of a bookkeeping system. Inasmuch as the Research Bureau's analysis of costs is based upon the classification of income and expenditures their classifications furnished a skeleton outline for the bookkeeping record.

#### Sources of Income in General Agency

The sources of income were quickly listed as first year over-riding commissions, renewal over-riding, unearned and forfeited renewals, company expense allowance, and income from the personal production of the partners in the agency. Just to read the list of the sources of income furnished proof of the value of the records, for questions immediately came to mind the answers to which when secured from the new books would permit intelligent direction of the business.

What is the amount received from first year over-riding commissions in any given year? That being the only direct income from first year business, what is the net deficit per \$1,000,000 of business after first year expenses have been met? Will the renewal over-riding in future years fully wipe out the first year deficit, and if so, when will this deficit or investment in the business be liquidated out of the renewals on that year's business? What effect does the renewal experience on each year's business have upon the future value of that business? What effect does size of policy and amount of premium per \$1,000 have on future income? Do the unearned renewals of part-time agents and the forfeited renewals of agents who do not qualify for receiving them have any material effect upon the general agent's income? If the company did not provide any expense allowance which could be applied on first year's business, to what extent would the value of each \$1,000 of business be affected? What portion of the income of the agency is derived from personal production?

#### Renewals Are Not Profit on Current Year

As he thoughtfully considered the significance of the question which he had raised he reached two important conclusions. First, that the renewals accruing to the general agency on each year of business previously put on the books has nothing whatever to do with the operation of the current year. These renewals are deferred income earned in previous years. They represent the repayment of the agency for a substantial investment made in the first year business and until that investment has been returned with interest, these renewals do not even constitute a profit. The second conclusion was that his earnings for the current year are represented by whatever difference there may be between the first year deficit which constitutes an investment in the business, and the renewals on this volume of business payable in future years. The factors which affect the value of the future return on the current year's business might be so different from the factors that determined the profit on any unit of past business, that profit on current business might be materially less than in past years or even be totally wiped out.

#### Changed Commissions Without Knowing Effects

The consideration of these points changed his interest in the outcome of the study of costs from a mild curiosity to much anxiety. How had he or his father been content to make changes in agents' contracts and in lines of agency service—involving reduced income on one hand and added expense on the other and unquestionably affecting profits—

without knowing the economic significance of these acts as revealed by bookkeeping facts properly interpreted? Despite the renewal income available in business written in past years, perhaps they were headed for a loss instead of a profit on current business. Nothing but the facts could furnish the basis for changing methods which would turn a small return to a larger one or an actual loss to a profit. He was reluctantly forming the opinion that hopes and desires rather than facts and their significance had dictated their previous decisions.

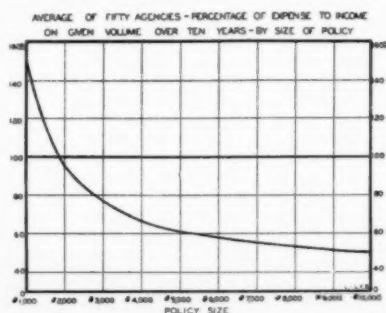
To conform with the Research Bureau's classifications, in order to simplify comparisons with the figures of other agencies, expenditures were divided into three major departments; old business expenses, expense of routine clerical work on new business, and agency development expense. In each of the three departments there would be such standard items as salaries, rent, postage, stationery and printing, telephone and telegraph, travel expense and miscellaneous. A study of the functions of each employee, the allocation of charges for rent, postage, etc., to each of the three departments, would lead to a proper division of total expense on a departmental basis.

#### Vital Questions on General Agency Costs

As in the case of the classification of income, consideration of the items of expense brought questions to mind of vital import. What is the cost of servicing each old policy per year? How many collections are made per policy per year? What is the cost per collection per \$1,000 of insurance and what percent of the premium is spent in collection? Does the company's expense allowance for collection cover the cost of collection, and if so, what margin, if any, is available to the general agent from this source? What relation does policy size sustain to value of business? Would an increase in number of collections per policy materially affect profits? In handling new business in the agency office what effect does policy size have on cost of doing business, and therefore, on profits? How does the amount of the average premium affect cost of handling?

The most fascinating field for speculation was in the matter of expenditures for agency development. Collecting renewals and handling the clerical end of new business were after all rather nonproductive functions. It was easy to see that the results obtained from expenditures for agency development would in the long run determine whether the business would survive or fail. Such questions as these presented themselves, which required not only facts but a quality of judgment in analyzing the facts and formulating business policies for the future, quite different from the judgment needed in planning and supervising the work of the routine departments.

Considering the quality and quantity of agency appointees and their production, is the work of each of the agency supervisors profitable, taking into consideration the cost of their service, both salary and expenses? While materially adding to the cost of agency operation, would a re-division of work and the employment of a new supervisor prove profitable? Would a reduc-



## Looks to Future



O. SAM CUMMINGS, Dallas, Tex.  
Kansas City Life

tion in expenditures for agency work, which would decrease the amount of investment in current business, prove as profitable as to increase the expenditures in this department, which while adding to the investment would probably add to future income?

#### Combination of Eight Factors Determines Profits

An examination and analysis of the items of income and expenditures reveal that there are eight factors which determine the value of a given volume of business to the general agent. It is only the consideration of all these factors combined which will permit a determination of the returns to the general agent. Two agencies of like size operating in similar territories with approximately the same net income per \$1,000,000 of business may derive their profits from different sources. The eight factors which in combination determine profits are as follows:

1. First year expense per \$1,000 of new paid business.
2. Average new premium per \$1,000.
3. Average size of new policy.
4. Over-riding commissions, first year and renewals.
5. Unearned and forfeited renewals.
6. Expense allowance.
7. Renewals expenses.
8. Termination rate.

Limitation of time will not permit us to follow John G., Jr., in his preparation of all the figures on his agency or their analysis in the light of these factors which determine profits. But in an attempt to vividly demonstrate the value of his analysis we will consider only one feature—the effect of the size of the average policy on the profits of the general agency.

#### Income the Same, Expense May Vary Greatly

Assuming the agency's figures on lapses, average premium expense rates, over-riding commissions and soliciting agents' commissions remain the same, the gross income to the general agent will remain the same on any given volume of business regardless of the size of policy. His expense on the other hand will greatly vary and inasmuch as the difference between income and expense determines profit, this variation is of vital importance. As revealed in the analysis made in preceding paragraphs, first year expense is made up of two elements; clerical expense and the expense of agency development.

Th figures revealed that the clerical expense per policy regardless of size amounted to \$3.78 in the past year. With



# Keep Your Name and Business Before Your Clients 365 Days a Year

**C**ALENDARS are the most economical and effective form of advertising for life underwriters ever devised. Calendars are on the job 365 days a year keeping the life underwriter's name and business before his client's eye. The National Underwriter is publishing an attractive two color roto-gravure 16 x 9 inch calendar for 1931.

## Designed for Insurance Men

It is not just another calendar—it is a calendar designed especially for the life underwriter by insurance advertising specialists.

The National Underwriter calendar has 12 sheets, one for each month, making 12 distinct calendars for the price of one. Each monthly sheet has an appropriate and attractive illustration vividly demonstrating how life insurance can fill the needs of your client. Under each illustration is a pithy and potent argument for life insurance. In the center of the calendar, right in the focus of all eyes, your name and address are imprinted free.

## Large Visible Numerals

The calendar is especially practical—it has large numerals visible at a distance and each sheet carries the preceding and following months besides the current one. It is attractive and appropriate to hang anywhere—office, store or home.

A sample calendar will be sent you for 10 cents in stamps to cover postage. It is necessary to act immediately as all orders must be in by Oct. 15. Send the coupon today and get more information about the best business builder for you in 1931.

**IF YOU ARE AT TORONTO, ASK AT THE NATIONAL UNDERWRITER BOOTH AT CONVENTION HEADQUARTERS FOR FURTHER INFORMATION.**

# ARE YOU LOOKING FOR AN OPPORTUNITY?



Royal Union Life Building.  
Cor. 7th and Grand Ave.,  
Des Moines, Iowa

If you are not now under contract and are looking for a profitable and pleasant agency connection let us suggest that you

## BUILD YOUR OWN BUSINESS

under our general agency contract in any one of the following States:

IOWA	MISSISSIPPI
KANSAS	MISSOURI
OKLAHOMA	MONTANA
TEXAS	NORTH DAKOTA
OHIO	SOUTH DAKOTA
PENNSYLVANIA	

## Royal Union Life Insurance Company DES MOINES, IOWA

A. C. TUCKER, President

**Oct. 15, 1930 is the Deadline  
For Orders — Mail the Coupon  
Today — —**

The National Underwriter Co., **SEND 10c IN STAMPS FOR  
175 W Jackson Blvd., Chicago. COMPLETE SAMPLE CALENDAR**

Gentlemen:

Please send me complete information regarding The National Underwriter's 1931 calendar and how it will help me increase my 1931 premiums. I am enclosing 10 cents in stamps for a sample.

Name .....

Street Address .....

Town ..... State .....

**Openings in the following states:**

Alabama	Georgia
Florida	Michigan
Ohio	Tennessee
District of Columbia	West Virginia

## CAREER MEN

Life insurance needs men who desire to make a career of the life insurance business. Such men will find unusual opportunity in the agency contracts offered by this rapidly growing company. We will gladly furnish details of our program and its thorough period of training and development to any one interested in the business of life insurance or life agency management. Write direct to President I. A. Morrisett for complete information.

## THE GEM CITY LIFE

INSURANCE COMPANY OF DAYTON, OHIO

*The Rapidly Growing Company*

## One Hundred Leads Each Day

Each day an average of more than one hundred leads go out to the Fidelity field—good live leads on interested prospects. Millions of dollars of high grade business is being written directly from these leads.

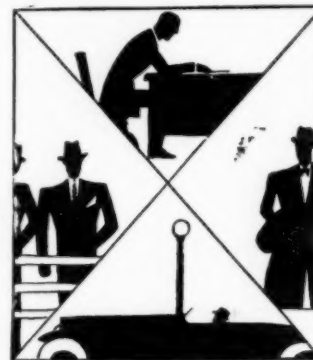
### Easier Selling

Fidelity lead service and Low Rate policies make selling easier. Fidelity operates in thirty-nine states, including New York, on a full level net premium basis with more than \$89,000,000 in assets and over \$415,000,000 insurance in force.

*Desirable franchises open for the right men seeking a wider and more profitable field of action.*

**THE FIDELITY MUTUAL LIFE  
INSURANCE COMPANY**  
PHILADELPHIA

WALTER LEMAR TALBOT, *President*



## Well Balanced!

Like the proverbial dew, this company covers everything.

Writing industrial . . . ordinary life . . . group . . . health and accident.

Operating from coast to coast . . . Canada to Mexico . . . Cuba to Hawaii.

*Valuable Territories  
Now Open.*

## AMERICAN NATIONAL

*Insurance Company*

**GALVESTON, TEXAS**

## NOW TWENTY-SIX MORE CITIES

THE Home Life is now initiating the second step in its program of development. The first step was the strengthening of its organization in the large centers of population. That process is now well under way. In practically every large city there are today one or more vigorous agencies under competent direction, and making satisfactory progress.

We now enter the second phase of our program which is the intensive development of a group of twenty-six cities with populations ranging from fifty to three hundred thousand. These cities have been carefully selected with reference to location and future possibilities.

In our established agencies men are being steadily equipped with knowledge and developed to that point of personal and financial responsibility that will qualify them to head the agency development in those cities.

This move is but another step in a well thought out, long time program which is designed to secure a satisfactory development for this Company and the maximum opportunity for those associated with it.

*"A Company of Opportunity"*

## Home Life Insurance Company

256 Broadway, New York City

ETHELBERT IDE LOW, JAMES A. FULTON,  
*Chairman of the Board. President.*

*On agency matters address: H. W. MANNING, Supt. of Agencies*

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an average policy of \$4,442 this represented an expense of \$.85 per \$1,000. The cost of agency development, chargeable to first year operation, amounted to \$3.49 per \$1,000, making a total first year expense per \$1,000 of \$4.34. It is apparent that the per policy cost of routine clerical operations will remain the same regardless of policy size, which means that the cost per \$1,000 will vary as policy size varies. As against a cost of \$.85 per \$1,000 when the average policy amounts to \$4,442, the cost per \$1,000 for a \$1,000 policy amounts to \$3.78, cost on a \$2,000 policy to \$1.89, and in the case of a \$10,000 policy would amount to only \$.38. Adding the cost of handling each \$1,000 policy of \$3.78 to the fixed cost of agency work chargeable to each thousand of business of \$3.78, would give a total of \$7.27 per \$1,000 for business composed of \$1,000 policies, as compared with a cost of \$4.34 per \$1,000 when the business is composed of average policies of \$4,442. The cost per \$1,000 for policies of different sizes varies, as follows:—

Policy Size	Cost per \$1,000
\$1,000	\$7.27
2,000	5.38
3,000	4.75
4,000	4.44
4,442	4.34
5,000	4.25
6,000	4.12

It is apparent that there is very little difference in first year expense per \$1,000 on policies of \$3,000 average and over, but a very large difference from \$3,000 down.

#### Cost of Collection of Renewals Varies With Policy Size

A second important consideration—assuming an equal renewal expense per policy—the expense of collecting renewals on a given volume of business rises as the number of policies in that volume goes up. In \$1,000,000 of business the number of policies will vary with policy size, as follows:—

Policy Size	No. Policies
\$1,000	1,000
2,000	500
3,000	333
4,000	250
4,442	225
5,000	200
6,000	167

Here again, the number of policies increases greatly from \$3,000 down but does not decrease very fast from \$3,000 up. It is, therefore, apparent that while income remains constant, there is a material increase in expense when policy sizes fall below \$3,000. The chart which we have prepared visualizes the percentage of expense to income (first year and renewal) on a given volume over 10 years, by size of policy.

#### Big Liability on \$1,000,000 in \$1,000 Policies

It is apparent from the chart that the general agency under consideration will make no profit on policies smaller than \$2,000 and lose money on \$1,000 policies on which there are the average number of collections and on which he pays nine renewals to the agents. On every \$1,000 policy written under

the conditions in his agency there would be a net loss of about \$5.50 over a 20 year period. In policies put on the books under these conditions the general agent acquires a liability instead of an asset, the amount of which he does not even know unless he keeps accurate records and knows the value of his business. If \$1,000,000 of such business (\$1,000 policies) were put on the books on a quarterly premium basis, the present value of this liability would be about \$14,000. It would require nearly \$3,500,000 of average production with a value of \$4 per \$1,000 to offset this loss. If the general agent received nine forfeited renewals of 5 per cent they would now be worth \$7.70 per \$1,000. This would make \$1,000 policies slightly profitable if written on an annual or semi-annual basis, but on a quarterly basis the business would still be unprofitable.

Interpreting these facts regarding the relation of policy size to income, in order to direct his business along profitable lines, it is apparent that John General Agent, with these facts in hand, will seek by every sound method to increase the size of the average policy and to hold a minimum number of \$1,000 and \$1,500 policies.

#### What Determines Agency Profit or Loss

After installing his bookkeeping system, analyzing the facts revealed and comparing those facts with those of other agencies and with agency averages furnished by the Research Bureau, John General Agent, Jr., arrived at the following conclusions as to what determines whether an agency will be profitable or not:

1. The expense per \$1,000 of handling first year business must be low. It is not how much you spend that affects profits so much as what results you get from what you spend. Rather than reduce first year expenses it may be that an increase of expenditures will increase profits. Money spent on securing, training, directing and supervising good agents who will produce a maximum of business with minimum expense and supervising will result in low expense per agent and per \$1,000 of business placed on the books.

2. The renewal expense per policy must be low. A properly organized staff of efficient people receiving a fair but not excessive wage will aid in keeping renewal expense down. Of equal or greater importance is the production of business on which renewal premiums will be paid annually rather than quarterly and semi-annually. The success of the agency in this effort will be largely controlled by the kind of agents employed, the character of territory in which they work and the class of people they write.

3. The average premium should be high. Here again, the quality of the agent is of paramount importance. The better agent will write the better classes and the older ages, holding Term insurance to a minimum.

#### Too Many Small Policies Will Break Average Agency

4. The average policy should be large. Too many small policies with their excessive cost of handling, will break the

average agency. The goal to be sought is a minimum of agents writing small average policies and a maximum number writing policies of larger average size. It is apparent that the quality of agent is the determining factor in increasing the size of the average policy.

5. The business must renew well. Business must not only be sold but must stay sold. Only those agents whose business has a favorable persistency are assets to the agency, which again emphasizes the vital relation of good agents to the returns in any agency.

#### Chart Visualizes Results in Good, Middling and Poor Agencies

In an effort to visualize the interrelation of the factors which determine the return to the general agent, we have utilized some figures just made available by the Research Bureau based on the average of 50 of the agencies analyzed by them, and have had a chart prepared which includes these figures under the heading, "average agency." May we emphasize the fact that this word "average" does not denote an average agency in the sense of an average of all agencies in the country. It is very probable that if figures were ever secured on all agencies in the United States and Canada the figure on returns to the general agent per \$1,000,000 of business would be considerably lower than the figure on the average of these 50 agencies, nearly all of which could be classed as good agencies. To the left of the "average" column appear the figures on a good agency and on the right a column shows the figures on a poor agency.

Since the first year over-riding commissions and first year home office allowances for all three agencies are identical, we first direct our attention to the relation of first year expense to first year results. In the good agency a cost \$3.50 per \$1,000 permits a profit the first year of \$260 per \$1,000,000, but at a cost of \$4.34 per \$1,000 the "average" agency shows an investment of \$751 per \$1,000,000, and the poor agency of \$1,534 per \$1,000,000.

#### "Good" Agency Makes Profit First Year

The good agency with an average premium of \$35 and a termination rate following Linton's "A" rating, shows a renewal value of \$7,121, while the "average" agency with a \$30.92 average premium and a termination rate midway between Linton's "A" and "B" ratings, shows a value of \$5,986. The poor agency shows a value of only \$4,118 due to the lower average premium of \$28 and the higher termination rate. It can easily be seen from the chart that even though the poor agency continues its higher expense of \$5 per \$1,000 for new business, that if the average premium were higher or the termination rate more favorable the rather heavy first year investment could be offset and the net return would be materially increased. This emphasizes how impossible it is to judge any volume of business by a consideration of one or two factors. All factors which determine profit must be considered in each individual general agency in order to determine the ultimate return to the general agent.

In all three agencies the same home office renewal collection allowance is figured of \$.62 per policy, but in the good agency because of the \$6,000 average policy and, therefore, the smaller number of policies per \$1,000,000, the return from this source is only \$807, in the "average" agency is \$1,034 and in the poor agency amounts to \$1,341.

#### Cost of Collecting Renewals Highly Important

No more important factor affects ultimate return than cost of collecting premiums on old policies. In the good agency the small cost per policy of \$.90 due to economical and efficient clerical handling, to a smaller number

of policies to handle and undoubtedly to a minimum of policies on which premiums are payable semi-annually and quarterly, shows a renewal expense of only \$1,171 per \$1,000,000 of business. The renewal expense in the "average" agency of \$1.22 per policy gives a total renewal expense of \$2,035 per \$1,000,000, while in the poor agency it reaches the figure of \$1.40 per policy with a total expense of \$3,029 per \$1,000,000.

If the poor agency's business were on an annual collection basis, if the work was economically handled in the office and the average policy was increased, the return per \$1,000,000 could be doubled or even tripled—but then it would no longer be so poor an agency.

#### Unreliability of Estimates Without Accurate Knowledge

If this chart and brief explanation accomplishes no other purpose than to emphasize the absolute unreliability of estimates of the value of certain units of business without definite knowledge of costs, then it will be worth having prepared and explained.

No business with which your speaker is familiar is more subject to hidden losses than the business of a life insurance general agency. It is one of the tragedies of this business that some of the largest agencies in the United States have proven financial failures. May we not here highly resolve that these failures shall not have been in vain, but that our growing knowledge of the causes for failure shall lead us to build more intelligently in the future.

#### Inspiring Leadership With Sound Management

The general agent of tomorrow will not be a sort of glorified agent, nor will he be simply a sales promotion manager. The day is past when the general agent, unable to operate a successful agency, will be allowed to fall back on personal production; or on renewals on business produced in former years by himself and the forfeited and unearned renewals as well as over-rides on former agents, or on company expense allowances unwarranted by the character of his present work. The general agent of tomorrow must recognize that he is the general manager of a business and that only as he organizes, directs and controls every feature of his business can success be achieved.

Not all the cost systems in the world, nor all the bookkeeping facts, nor all the conclusions to be obtained from such facts will ever make a successful general agent, for without the ability to find, select, train and direct men who will become successful agents, no general agent can succeed. The general agent of the future shall not be less the inspiring leader of his sales organization but more the business man.

It is my firm conviction that the application of sound business principles to General Agency operation, including of course some method of cost analysis such as the competent staff of the Research Bureau has placed at our disposal, will lead to greater successes in agency management in the future than have ever been achieved in the past.

#### A Gross Exaggeration

C. F. Gay is eager that an error made when he was introduced Wednesday be corrected. S. T. Whatley, in his introduction, said that Mr. Gay one year produced \$1,800,000 in business. Mr. Gay declares that Mr. Whatley should have said from Mr. Aetna agency at all, one was built at Shreveport, La., which in its third year paid for \$1,800,000.

Roger B. Hull, managing director of the National Association of Life Underwriters, is submitting to much banter from his friends because of the way in which his name appeared in news about the convention in one of the Toronto papers. He was mentioned as "Roger Bull."

ANALYSIS OF RETURN PER \$1,000,000 OF BUSINESS UNDER VARYING COST FACTORS									
	GOOD AGENCY		"AVERAGE" AGENCY		POOR AGENCY				
	42%	\$1,470	42%	\$1,299	42%	\$1,176			
FIRST YEAR OVERRIDING COMMISSIONS	\$2.29 PER \$1,000	2,290	\$2.29 PER \$1,000	2,290	\$2.29 PER \$1,000	2,290			
FIRST YEAR HOME OFFICE ALLOWANCE	\$1.50 PER \$1,000	3,500	\$1.50 PER \$1,000	4,340	\$1.50 PER \$1,000	5,000			
LESS FIRST YEAR EXPENSE									
FIRST YEAR RESULT	PROFIT	280	INVESTMENT	751	INVESTMENT	1,534			
RENEWAL OVERRIDING - 2ND-20TH YEARS	AVERAGE PREMIUM \$35.00	7,121	AVERAGE PREMIUM \$30.92	5,986	AVERAGE PREMIUM \$28.00	4,118			
	TERMINATION LINTON'S "A"		TERMINATION LINTON'S "B"		TERMINATION LINTON'S "C"				
HOME OFFICE ALLOWANCE - RENEWALS	\$1.22 PER POL. AVERAGE SIZE \$4,442	807	\$1.22 PER POL. AVERAGE SIZE \$4,442	1,034	\$1.22 PER POL. AVERAGE SIZE \$4,442	1,341			
RENEWAL EXPENSE - 2ND-20TH YEARS	\$1.00 PER POL.	1,171	\$1.22 PER POL.	2,035	\$1.40 PER POL.	3,029			
NET TWENTY YEAR RETURN		\$7,017		\$4,234		\$896			

## Build Men as Human Service

Forget Money Goal in Training Agents, John W. Yates Advises

### GIVES MANAGER'S IDEAL

Should Help Staff to Attain Financial Stability, Philosophy of Life, Business Education

John W. Yates, general agent of the Massachusetts Mutual Life at Detroit, is a southerner by birth, but has made his notable record, both as a personal producer and an agency builder, in the north. He has been in great demand as a speaker before life underwriters associations and agency meetings, and has been a prominent figure on former programs of the National association.

An idealistic conception of the business of training producers and practical methods for attaining the ideal were presented at the managers' session by John W. Yates, general agent for the Massachusetts Mutual in Detroit.

"I would rather make men than money," is the Yates' motto. "Of all the ambitions a manager might have," the speaker declared, "there are none that should overshadow this great desire to build stronger and more enduring men. This job, I believe, should take precedence over all others and should be tackled with a deep feeling of responsibility and opportunity."

Mr. Yates added that he trains men as a humanitarian service, not with the end result in view that trained men bring more money to the agency. "Having made the statement various times," he said, "that 'I would rather make men than money' I have usually been told that if a manager would make men he couldn't help but make money. While this is probably true I have rather disliked the after remark, for the reason that, as idealistic as it may sound, I can truly say that the feeling of genuine satisfaction of having made some real contribution to the personal growth of a fellow traveler which puts him in a position to enjoy and appreciate the good things of life to a greater extent gives me more pleasure than the increased profits which may be made because of such development."

### Get Better Response If Motive Unselfish

"I believe," he continued, "the manager who builds men for the purpose of making more money will not receive the same cooperation and responsiveness from his men as he will by putting the matter on the higher plane of having a keen desire to see his men develop because of the greater satisfaction they will have in life and of the increased capacity such development will give to serve humanity."

To perform this service Mr. Yates advised his listeners to help agents to attain financial stability and the speaker suggested means for accomplishing this task. Moreover managers should teach their staffs to discipline themselves as to organization of time and effort. Builders of men should stir the mental curiosity of agents; encourage producers to educate themselves. They should help agents to create a philosophy of life suitable for the high character of the business. They can cultivate personal magnetism among members of the staff. They should be practical psycho-analysts—prepared to discover impediments in the nature of men and able to eradicate these impediments.

"Too many life underwriters," Mr. Yates stated in suggesting how managers might encourage their men to

attain financial stability, "live up to a standard of income which they feel they are capable of earning rather than living down to the commissions actually paid them. The happiest men in our business are those who can measure their financial progress each year by the net increase in their estates, but entirely too few agents are able to do this."

### Bank the Renewals and Build Estate, is Advice

"One way a manager can help to bring about this state of affairs," he proceeded, "is to insist upon his men saving their renewals. This can be accomplished more conveniently by drawing separate checks for first year and renewal commissions and counselling with the men on the benefits which will accrue to them by saving and investing their renewals, which can by no means be measured in financial terms alone. I have one agent worth over \$100,000 who has produced between \$600,000 and \$1,500,000 of new business annually during the last ten years, and who has never spent a renewal commission."

"The manager who insists upon his agent living within his income, keeping books on all financial transactions, and encourages him building up reserves, will not only be building better business men who can meet all prospects on a higher plane of business dealing, but will also be helping such men to build more solid characters which form the basis of self-respect and independence."

The manager, according to Mr. Yates, also is confronted with the task of impressing his men with the importance of organization. Much of the disorganization among agents he blamed on managers.

### Most Agents Willing to Work But Don't Know How

"Lack of organization of information so that it can be most effectively used when needed," Mr. Yates asserted, "and failure to build a plan of work which absorbs the interest of the agent and, therefore, will be constantly and enthusiastically executed is, I believe, responsible for the lack of success in many men who have been charged with laziness. Men want to work and be successful but don't know how. The job is too indefinite."

"Most men before entering life insurance were in businesses in which the work had been planned and laid out. When we realize that the work of a for everything worthwhile and that he has to find the prospect; discover his needs; make a sales talk that will get action; decide upon the type of contract that is best suited; explain all the technical information; get the applicant to submit to a medical examination, obtain settlement; deliver and explain the policy and service it thereafter, we cannot help but realize how different it all is from the general run of work and how vitally important it is to assist the agent in planning and organizing for results."

"Recently we discovered that practically all our training and various meetings were centered about giving our men information and teaching them how to sell and what to say. Still some men were not making the progress which we thought they were capable of. Consequently we have set up a personal efficiency and planning department, in charge of a trained assistant general agent who is aggressively working with each man."

### Reduce Turnover By Teaching Organization

"A comprehensive plan of work," Mr. Yates declared, "definite organization of ideas and of time is one of the greatest aids to happiness and success. A real understanding of the importance of these things will, I believe conserve a large number of the high percentage of men which the bureau tells us go out of the business because of dis-

## Builder of Men



JOHN W. YATES, Detroit  
Massachusetts Mutual Life

couragement as well as the number who leave because of lack of effort."

Agents, Mr. Yates said, should be instructed in general business and economic problems as well as in the art of selling.

"The manager of the future," he said, "will build men through education far more intensive in character than the manager of the past has attempted or thought necessary. He will not only give intensive training in life insurance principles and practices, but in business and general subjects as well which will place his men in a position to become the sound business advisors of clients in all matters pertaining to scientific business procedure, investments, and in the handling and distribution of estates. Long courses in training will replace the short, half-baked courses of the past. The most successful managers will be those who have the C. L. U. degree, or are capable of standing examination for it. It is gratifying to see the large percentage of managers in the group who have thus exhibited their stability to build other men."

### Philosophy of Life Is Necessary For Agent

"One of the finest possible indorsements of the life insurance business," Mr. Yates declared in his discussion of the necessity of cultivating a philosophy of life, "is the fine philosophy of life which it has enabled many men to build. To catch the real vision of life insurance is to realize that it stands for everything worth while and that aside from being the most practical solution of the economic problems of the human family, it is also a perfectly beautiful thing as well."

"The currents of life and activity surrounding the work of the life underwriter who has sincerely dedicated his life to the altar of life insurance service should be a mighty force in helping him build a philosophy of life that will ring true to that which is finest and most satisfying in life. One of the great opportunities offered to the manager is to help the men around him build a philosophy of life that will result in the proper outlook and the right sort of attitude which will assist him in getting along with and influencing other people."

Mr. Yates added that there is no quality a manager can help an agent to build that will be more valuable than personal magnetism. "If the truth of life insurance and the overwhelming importance of it in the world has been sunk into the soul of life underwriters they cannot help but state it so sincerely

that they have fewer objections to answer and their faith in it will become so supreme that success will be assured."

"To find out what the real problem is with a man," Mr. Yates concluded, "and help him meet that problem squarely is vitally necessary in order to help him grow. To do this successfully it is necessary for the manager to be a practical psycho-analyst and be able to get down under the surface so as to be able to help men remove the obstacles that stand in their way through right thinking and action."

## Playlet Made A Decided Success

One of the interesting features of the first day's session was the presentation of a playlet, "Life Underwriting: Yesterday, Today and Tomorrow," with a cast of 18 under the general direction of the author, Fred C. Gerraerd of the London Life in Toronto. L. J. Lugsdin, Mutual Life of Canada, Toronto; A. E. Wall, London Life, Toronto, and Mrs. F. Good of Toronto were the directors for the three acts of the play.

In Act 1, "Into the Past—Yesterday,"—The Spirit of Progress invites Neophyte, a budding life underwriter, to journey with him into the past, where a storekeeper, a Mr. Mortalman, is canvassed by the agents of several companies. The attempt to sell a policy brings to light such unfair practices as twisting, misrepresentation, rebating and other evils, with the result that the prospect is so disgusted that he refuses insurance.

In Act 2, "The Present—Today,"—a descendant of Mr. Mortalman, a business man, is in his office. He is ambitious for himself and family but is besieged with fears as to what would occur if his health would not stand the strain. Finally the merits of life insurance are forced upon his consideration and with the aid of a life underwriter, the Spirit of Protection stands guard over him and his family.

In Act 3, "To the Future—Tomorrow,"—the family of Mr. Mortalman, a number of years after his decease, are seen in the living room of their home that had been kept intact by life insurance. The mother and daughter await the arrival of the son who has just graduated and returning home from college. The son is confronted by the choice of his life's vocation and after due consideration decides to enter the new profession as a Chartered Life Underwriter.

The entire production was admirably staged and acted and was enthusiastically received.

The cast included:

### Prologue and Epilogue

Spirit of Progress, Walter E. Pamenster; Neophyte, Leslie Evans.

### Act 1

Mr. Mortalman, Senior, L. J. Lugsdin; Acme Life Salesman, J. Henderson; Best Life Salesman, J. B. McCraw; Canbebe Life Salesman, A. Limon; Dandy Life Salesman, Douglas Gray; Eclipse Life Salesman, H. Armstrong; First Life Salesman, F. M. Hannam; Store Patron, Ben La Gassick.

### Act 2

Mr. Mortalman, Junior, Fred Good; Disability, J. B. McCraw; Old Age, J. Henderson; Death, A. Limon; Mr. Brown, A. E. Wall; Mrs. Mortalman, Mrs. F. Good; Boy, Albert Thomas; Girl, Allwyn Thomas; Spirit of Protection, Mrs. O. H. MacNaughton.

### Act 3

Mother, Mrs. F. Good; Chris, the daughter, Mrs. O. H. MacNaughton; Morley, the son, Girvin Clarke; Minister, L. J. Lugsdin; Lawyer, D. Gray; Doctor, F. Good; Teacher, H. Armstrong; Life Underwriter, A. E. Wall.

The cast is composed of Toronto representatives of the London Life and the Mutual Life of Canada, together with assisting artists.



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Hence, no more practical wisdom could have been shown by the Officers of the National Association of Life Underwriters than the choice they have made of the subject of this Annual Meeting.

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## Trust Company Relations Close

(Continued from page 7)

enough about the business so that we will feel justified in taking the commission, and that the trust company will be favored by our taking the business to them, rather than have the trust company feel that they have done the business for us.

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ISADORE HIRSCHFELD, New York: Apropos of what has been said as to trust officers and assistants, I make it my practice to close all my business myself. For the will, the trust and business contracts and everything else, I do that in connection with my attorney, who specializes in that field. I have found that to be more practicable because, as has been said before, most attorneys are not acquainted with that sort of work and they rather misinform the prospect, and frequently we would be likely to lose a case because of that. When the business is closed and the instruments are drawn, they are then presented to the respective trust companies for perusal by their legal department, and the business is finally closed. I have found that to be most satisfactory.

DELEGATE: How do you compensate the attorney?

MR. HIRSCHFELD: My client pays the attorney for the instrument he draws.

\*\*\*

MR. LAWRENCE THEBEAUD: May I ask, Mr. Davidson, if you would mind putting two questions? First, I would like to know who in this room helps the other fellows, or feels that it is up to him to help other men in his agency close up cases, and who have gone out and have done that and will do it in the future. May I put the question in the other way: How many men in this room, when they get in a jam on a case, the first thing they do is to call to somebody else who they think is capable of helping them and bring him in?

### Case of Insurance Made Payable To Wife

For instance, take a specific case of my own. Last year I did some very interesting work with a man who was trustee of the estate of a deceased, and going over the estate with the trustee he commented on the service that we were giving the man up until the time of his death, referring particularly to our audit service. I asked what was the matter with our audit service applying to him. They worked out his policies and I found out he had a very good program, which, however, called for a rather large lump sum of money to be paid to his wife. I called attention to the fact, and was told that this sum was to be used for tax purposes. I pointed out that it was payable to his wife and would not be used for tax purposes because the act calls for the tax to be paid out of the estate.

### Suggested It Could Be Put On Income Plan

The man consulted his attorney and found out that the life insurance policy which had been sold to him, payable to his wife in one lump, could not very well be used for paying taxes on his estate. Therefore I suggested that it could be put on the income plan, and that he could take out additional insurance for the taxes. I suggested that possibly I would like to work with another man on that.

The conference lasted some time. The prospect's wife said that Mr. So and So's wife was a very good friend of hers, and that in future life insurance would certainly be handled through So and So and not through a young man like myself. Rather than lose the business, I would call on somebody else. I

would like to know who would do it in this room, and who does actually call upon another man and give him the credit? I found it made it rather clumsy for the man who had made his policies payable to his wife. We made it payable to his estate under his will.

\*\*\*

MR. DAVIDSON: I think I would write it in favor of a trustee under a special agreement to pay the taxes, or anything, from the estate.

MR. FELL: He could do that under his will.

MR. DAVIDSON: It is suggested that if the insurance was payable to the insured, with instructions that it must be used to pay taxes and other expenses of the estate, that it is subject to the federal estate tax. If the insurance is payable to an insurance trust and in the trust you have a clause which permits the trustees to buy assets from the executor of the estate, the executor needs the cash to pay the expenses; or, as some prefer, permits the trustee to loan money to the executor. In either event you get the money over to the executor but do not make it subject to the tax.

MR. FELL: In this case it is impossible for the family to divide up the property. The holding that the money is to be paid on is taxable estate, the bulk of which cannot be subdivided.

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MR. DAVIDSON: Another question is, "Have you had any success in securing insurance trusts for philanthropic purposes?"

MR. ANDERSON: I have.

MR. DAVIDSON: I have not.

MR. ANDERSON: If instead of having your trust more or less trail off into thin air, you picked out some good college or high school, or some worthy charitable institution, and suggested to your prospect—if you get the right thing in which he is interested—that he provide that the final resting place of his funds should be in this philanthropic project or college, you would be surprised how many men will commence to think about what they ought to do for their college or high school. In one case in Cincinnati, it was a high school and he will make out a separate trust of \$10,000 or \$15,000.

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DIX TEACHENOR, Kansas City: Would it be advisable to find out whether in the distribution of their insurance, the delegates here have provided that it be distributed by trust companies? Is that the case, or do we still have confidence in life insurance companies themselves? Out west we do not have big trust companies. This meeting is supposed to comprise the best insurance men in the country and I would like to ask them if they have provided for distribution of their life insurance by trust companies or by the life insurance companies?

MR. DAVIDSON: How many have part or all of their insurance payable to a trust company as trustee? I see the majority of hands are held up. How many have all or part payable on the monthly income basis with the trust companies? I see that quite a number have. How many have it partly payable in instalment options and partly payable to a trust company? (A number of hands raised.)

How many have all their insurance payable in a lump sum plus the instalment options? (A number of hands raised.)

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MR. DAVIDSON: I would like to leave a suggestion with you, which has been one of the most helpful things that I have found. That is to take the plan of distribution as shown on the will and put it on a block diagram; then take your proposed insurance trust and put the plan of distribution on the block diagram; or if it is monthly income put that also on a block diagram, and then by a photostat put it all on one sheet. Then no matter how many instruments a man uses in dealing with his property, he can see what he wants done.

# Jolly Good Health!



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## Guard Estate After Death

Life Insurance Gives Only Sure  
Protection When Brains  
of Business Die

### TAXES TAKE A BIG SLICE

Funds for the Purchase of Widow's  
Interest Safeguards Her and  
Remaining Partners

By JOHN MORRELL

John Morrell, associate agency manager of the Equitable Life of New York at Chicago, is one of the outstanding "millionaire" producers of the country. He led his company in 1928 with \$2,625,000, paid for \$2,500,000 last year and is going strong this year. He is an expert on estate and business conservation and has made hundreds of addresses on those subjects before various business organizations.

Just imagine that the individual in front of you is not a life insurance man, but just an ordinary man of business—the kind of man from whom each of us is trying to get business as we go along.

Just visualize, if you can, the conclusion that that man has come to about life insurance, bowed down as he is with the cares of business depression and the struggle to work out profit and loss and show a credit balance. He comes to the conclusion that life insurance is just one little part in a whole big scheme of things; that life insurance is buying future money on the instalment plan.

#### Selling Insurance Compared With Handling of Grain

A lot of you men and women don't know very much about the handling of grain. You don't know how it comes in from all the 26,000 country elevators from the farmers, and how those elevators take the grain and turn it over to the terminal port. When the man who operates that elevator buys 100,000 bushels of grain from the farmer, the first thing he does is to sell 100,000 bushels short so that if the price declines 5 cents a bushel and he loses 5 cents on his purchase he will have made 5 cents on the short sale. He is hedging. The reason why this little country elevator operator appears to me to be one of the best illustrations we have in business today is because that fellow knows what he is trying to do and when you know what you are trying to do you can hedge against those uncertainties over which you as an individual have no control whatever.

#### How Can We Hedge As Business Men?

The question naturally arises: How can we hedge as business men? The answer comes back immediately "Write a will." All right. I am willing to put my estate in such shape that the income will go to my wife, and in case she marries it is to be divided in two equal parts, of which she will receive half and the children the other half. When she dies I want it so that instead of the second husband getting any of the estate it will go to my own children. If I have a boy who survives to the age of 25 I want to give him one-quarter—he may squander it, probably will—and another quarter at 35, which will give him half; and I want to make provision for my daughters.

A lot of you business men don't know what the laws of distribution are. You don't know that if you don't write a will your wife gets two-thirds of the estate; that if there are no children she gets half the real estate, one-third of the second half, the remaining two-

thirds of which go to your mother and father and next of kin.

Lots of men will say I haven't a will. But they have, for the state of Illinois has written it for them. If a man in Illinois dies and leaves \$50,000 of life insurance to his wife, and she remarries and then dies, one-third goes to the second husband automatically, so that there is one-third of the estate that will probably never be seen by the children of the man who created it.

I can hear you say: "All right, I am willing to work out some kind of plan of distribution, because I know the conditions in my own family better than the public administrator does. How in the world am I going to leave this business of mine so that it will follow up the stipulations of the will? Is my wife going to inherit stock in this business? Is she going to be dependent on the survivors in the corporation for an income upon which to live, or is this corporation going to be automatically liquidated on the basis of the book value at the time of my death but not at the price of the assets?"

#### Theoretical Case of Corporation Members

All right. Whatley and Haines and myself are members of a corporation. If Whatley goes to California, and happens to die there, Haines and myself pay the price. We pay on 30 per cent of the stock; in other words we are paying a premium to that man's wife and she contributes nothing to the business.

So then, what do we do in the city of Chicago? We do one of two things. We either extend that business to the point where there are no dividends to pay, or we take the revenue of the business, and spend it on increased salaries. We can whip his wife out of the money any day.

There is only one way to leave a man's business, and that is so that it may be liquidated on the basis of the book value at the time of his death but at not less than he knows now that his estate ought to receive out of his business, taking into account the years he has spent and the capital he has expended in building it up.

Suppose just prior to Mr. Whatley's death that owing to certain business conditions the selling price of his stock declined from \$100 to \$70 a share. It certainly would be too bad that the poor fellow was unlucky enough to die in a time of business depression, but life insurance could be provided so that there is a trust which will be used to buy from his estate his share of the stock on the basis of the book value, which cannot be less than \$100 a share.

#### Protection as Necessary For Partnership as Corporation

I want to take a few minutes to talk about the laws of partnership. The laws of partnership in Illinois provide that in the event of death of one partner, the partnership is automatically dissolved. The surviving partners can buy new merchandise, and a receiver may be appointed and the assets of the partnership automatically liquidated and distributed pro rata. Under the laws of Illinois, an oral partnership agreement is just as binding as a written partnership agreement during the first year of partnership, but after that period any one of the partners may go across the street and start up an opposition business, and the surviving partners have no redress. A firm which built some of the biggest skyscrapers in Chicago did not have as much as an oral partnership agreement. Just as in a corporation, it is necessary for you business men who are in partnership to be able to have your business liquidated on the basis of the book value at the time of death of one of the partners.

We are finding that it is no longer advisable after putting a man through bankruptcy, to prevent him from coming back into business again, so we

are helping him out. But what about the laws of bankruptcy with reference to attachability by creditors in the event of insolvency of a man who has life insurance? The law says that if a man takes out a policy on his life, payable to his wife, and reserves the right to change the beneficiary, he can exercise the options under the policy, and his wife has only the right of anticipation in that particular policy. The law says that the policy belongs to him, and therefore to his creditors. In cases of that kind, the creditors are entitled to come in and take the policies. I had four cases last year where policies were taken from men, and in one case a man could not make a loan and the policy was taken away from him and the man was not able to pass a medical examination for further insurance.

So you see how important it is to get hold of a life insurance counsellor, who can advise you to get the right kind of insurance, insurance that will do what you want it to do when you are not in a position to work things out yourself.

#### Need to Get Life Insurance Away From Rest of Estate

I should like to say something about life insurance trusts, because it seems to me that the first thing I would like to do for a man in business today, in these times of depression, is to take his life insurance and get it away from all the rest of his estate, to put it in a separate individual trust instrument, maybe making his wife the co-trustee with the corporation. The life insurance part of the estate will not have to go through probate. In other words, a man's estate is divided into two parts, one consisting of stocks and bonds, and investments of that type which have to go through probate. Probate procedure takes at least a year, maybe more, depending upon the litigation involved. The other part of the estate is that represented by the life insurance, which does not go through probate.

A trust company recently made a résumé of estates and found out that most estates were in a frozen condition. If those particular assets had to be liquidated at a time of bedrock depression, in order to pay the inheritance tax, there would be a depreciation of 37½ per cent. Where is the cash coming from to pay the inheritance tax?

#### Taxes Will Take \$53,000 Out of \$400,000 Estate

A man the other day said; "I have \$400,000 and have a wife and two children. What kind of a distribution do you have? I am going to leave it all to my wife. All right. The inheritance taxes will be; Federal \$14,000; state tax \$6,000; etc., altogether \$53,000 which becomes a first lien against the estate and must be paid in cash, in Illinois in order to get the discount. Otherwise you are charged 6 per cent from the date of death. If the widow will it over to the children, the taxes are all to be paid over again.

There is \$53,000 taken out of that man's estate at the date of his death, and when his wife dies and wills it over to his children those taxes are repeated again, provided the estate has worked itself back again to \$400,000.

#### Taxes Greatly Reduced Under the Trust Plan

Now take that amount over to a trust company and put it in trust, and what happens to the federal and state taxes? The federal tax remains the same, but the Illinois inheritance tax is immediately reduced from \$24,000 down to \$12,000, because that \$400,000 at 5 per cent interest is \$20,000 a year to his wife as long as she lives. We commute the life income and get an additional exemption for each of the children, and the taxes automatically reduce from \$24,000 to \$12,000. At the same time we have saved them \$12,000 in the Illinois inheritance tax at the date of his death, but, mark you, when his wife dies there are no additional

## Covers Business



JOHN MORRELL, Chicago  
Equitable Life of New York

taxes at all because the estate went under his will; so that we have saved \$65,000, so far as estate and inheritance taxes are concerned; and we have done a better job, as far as the business man's estate was concerned.

#### Aid Needed for Life Insurance Counsellor

After all the life insurance counsellor who comes to you in an unprejudiced way will help you to proper conclusions upon the facts without guesswork and without any element of emotionalism in the same businesslike way that you approach your own business.

Perhaps there is not one of you men or women who has not thought in the quiet of your home about the conditions under which you will leave those dependent upon you. You have thought of leaving that business so that it might be possible to follow out the terms of your will. Then you come across the federal inheritance taxes and the laws of bankruptcy, if you do not do your duty. It is the job of a good man to advise you how to do it.

## Now You Can Tell Them By the Bee On Their Lapels

Million dollar round tablers hereafter may be recognized—if their genius for production is not apparent from their manner and looks—by a shield on the lapel. A bee, representing industry, is the principal device on the emblem. The emblem may be worn by all million dollar producers, who pay a \$5 fee, regardless of whether they attend the sessions. Furthermore a certificate and a bound copy of the proceedings at the round table will be distributed to those who qualify.

Earl G. Manning, associate general agent of the Paul Clark agency of the John Hancock in Boston, chairman of the round table, gets most of the credit for originating the emblem and certificate idea. Mr. Manning also announces that he will give each member a portfolio containing advertising material that he has found useful.

J. Samuel Roberts is representing the home office of the Acacia Mutual at the convention. He is assistant secretary of that company in charge of agency work.



# Holcombe Reviews History, Rise of Managerial Idea

By JOHN M. HOLCOMBE, JR.,  
Manager, Life Insurance Sales Research Bureau

Today we all take for granted the fact that a manager of an agency is essential because of the fact that life insurance is sold through agents. This was not always accepted as proven by the fact that the first level premium company to be established was the "Old Equitable" of London which has never yet employed an agent on salary, or otherwise, nor has it paid a commission to anyone. Nevertheless, the necessity for agents has brought about the necessity for operating them in the most effective fashion, and the present conception of the most effective fashion is through a local manager or general agent.

The manager has slowly emerged through a process which involves the change from the day when he was wholly a personal producer with no managerial responsibilities to the day when, in some cases, his managerial duties have virtually eliminated his personal production. The first managers or general agents had no conception of organization as we know it today. The home office was not delegating authority in matters of personnel to the local manager because agencies, as such, did not then exist even in imagination. He spent his time on personal production and received virtually all of his income from that source. Even so great an agency builder as Edward A. Woods recognized in an article which he wrote in 1912 that most men who were appointed to be managers secured their livelihood from personal production and that in many cases their only agents were "helpers" rather than agents.

The process has been a gradual one and properly so. No company could have been expected to develop the present conception of management except in the most deliberate and careful fashion.

## Agency Department Has Grown in Importance

Coincident with the broader responsibilities which have come to the local manager has been the growing realization of the responsibilities of home office agency executives. As late as 1905 a writer on home office organization ventured the prediction that "we shall soon find one of the vice-presidents at the head of the agency branch of the business." In 1918 a group of home office agency men met in Chicago, and it is significant to find that, aside from some presidents who were in attendance, the agency men were represented by 38 superintendents of agencies and only 14 vice-presidents. Today most of the companies which then had as the head of their agency department a superintendent of agencies have a vice-president. The increasing importance given to agency affairs in the home office is merely a parallel of the situation with the local manager in the field.

The development which has occurred has gained momentum in the last ten years, and this is strikingly evident from a study which the Research Bureau has just made of the records of one company.

## Fewer Agents But Five Times the Production

This company had 42 agencies in 1916 and now there are 45. This would indicate that the company has made little effort to increase the number of agency units, and unless materially better work is being done now in each agency than was done in 1916, it would appear that agency development in this company has been virtually at a standstill. As proof of the belief that

real progress has been made, is the fact that in 1915 the average new paid business per agency was \$450,000, whereas now it is \$1,800,000.

In 1915 the number of agents per agency was 17, now it is 10. This would appear to be an actual loss of man power and is to be justified only if the 10 men are doing materially better per man than did the 17 fifteen years ago. This is readily proven, for in 1915 the average agent produced \$22,000 of paid business, whereas now his production has risen to \$160,000. In other words, real success has come to the efforts to make the agents earn a reasonable living in their work of selling life insurance.

In 1915 this company's managers produced on the average of 18 per cent of the new business of each agency; now this figure has dropped to 8 per cent. This fact, taken in conjunction with the rapid increase of the production per agent indicates that the manager is giving much of his time to improving the agents under his leadership and is at the same time reducing the amount of time which he spends on personal production. This would appear to indicate that the men at the head of this company's agencies are today far more properly to be termed managers than was the case fifteen years ago.

## Six Responsibilities of Manager Are Listed

The rapid increase in the size of the agency is significant because of the fact that this company evidently believes in the more effective work which can be done through larger agency units. No figures are available to show that these larger agency units are being operated at less expense, but it is likely that such is the fact. The tendency of increasing the size of the agency unit is everywhere apparent, as is indicated by the records of another company whose average agency in 1915 produced one and a half millions of paid business, whereas the figure has now risen to four million.

Of the responsibilities devolving on the manager, those which have emerged as the most important are: first, the securing of new agents, second, the preliminary training of agents, third, the supervision of agents, fourth, the stimulation of agents, fifth, the handling of the clerical staff, and sixth, the operation of all these activities in such a way as to make money.

Certainly the manager of yesterday was much less concerned with the matter of securing new agents than will be the manager of the future. He spent but little serious effort to locate men or pick good ones. He clearly operated on the idea that if he secured enough men, a certain number would be bound to succeed. Experience has proven that he was frequently leaning on an unstable theory.

In the direction of training and supervision, our generation has witnessed genuine strides, and in the last ten years, the momentum of progress has been striking. Even so, the problem of supervision is one which many managers dislike to face honestly.

The stimulation of human beings to better effort is everywhere receiving more intelligent attention, and certainly the manager who would build a successful agency must go deep into the problems of stimulation and inspiration. In the past, this was scarcely a problem at all because the agency consisted of a group of men who expected little in the way of leadership and received less. The manager was not expected to be a student of each individual agent. Often he had so many and scattered at such great distances that a careful knowledge of the individuals was

## Research Chief



JOHN MARSHALL HOLCOMBE  
Life Insurance Sales Research Bureau

utterly impossible. Today the successful manager is a genuine builder of men even in rural territory, the manager reaches out to the furthest man in such a well run agency as that of Mr. Reid (W. Lyle Reid, manager Ottawa branch of the Sun Life.)

The manager of ten or twenty years ago had only a small office force, and their supervision took but little time.

## Clearer Thinking, More Able Leadership Needed

Lastly, the graveyard to which unsuccessful managers of the past have gone is filled with epitaphs testifying to the fact that the sum total of the agency's operations failed to produce a profit. In short, it was a commonly accepted idea that a manager was a salesman, often a super-salesman, but that he was not expected to keep adequate records or watch the financial operations of his agency with more than passing care.

We have progressed markedly—even brilliantly—in agency management in the decade just closing. We can point with pride to many things which we do today better than even two or three years ago, and yet it may well be asked if we have more than made a fair beginning in answering the challenge of management—the call to clearer thinking and more able leadership.

So new it all is that a manager of fifteen years ago would look with wonder upon a gathering such as this. He could well recall the day when management, as distinguished from salesmanship, did not exist in life insurance. He might well question whether this new and, to him, bewildering array of responsibilities which challenges the manager of today was real or fictitious.

But out of it all will come a fuller realization of the soundness of the description given in recent years to your work—"Agency Management—The New Career in Life Insurance Selling."

E. E. Kirkpatrick, of the home office staff of the Ohio National is renewing old acquaintances among conventioners.

Suspicion that John L. Shuff of Cincinnati might have served at one time as a claquer was aroused from the approbation which he expressed as each speaker concluded. "Good boy" or "Hear, hear," were heard throughout the hall at the termination of each speech and the voice that uttered those cries was indubitably that of "Jack" Shuff.

# WE OFFER

Generous contracts with real first year commissions and non-forfeitable Renewals to insurance men who can take territory and develop it.

1. Full line of most salable policies for adults and children. (Written from 1 day old to 70 years old).
2. Prompt service in issuance of policies.
3. Policies issued to greatest possible proportion of applicants.
4. Assistance in organizing territory with H. O. field men.
5. Dollar a Month policies for small buyer.
6. Liberal commission.
7. Liberal underwriting rules for acceptable risks.
8. Exceedingly prompt settlement of claims.

Some excellent territory open in the States of California, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Oklahoma, Ohio and Texas.

Sincerity of purpose, ambition and a thorough understanding of life insurance values, combined with a knowledge that the company you represent can meet your customer's needs—spells SUCCESS for you.

**Springfield Life Insurance Company**  
A. L. HEREFORD  
President  
SPRINGFIELD, ILLINOIS

# Ream Says General Agent Should be Own Supervisor

Speaking at the manager's session Wednesday night on "The Problems of the Newly Appointed Manager," M. Jay Ream, general agent of the Mutual Benefit Life in Pittsburgh, declared that the general agent should be his own supervisor. There is no better nor more profitable way for him to use a large part of his time, he asserted, than to do joint soliciting with his men.

"The problems of the newly appointed manager," Mr. Ream said, "are of three kinds: (1) Those relating to the office. Invariably a new manager very shortly attempts a reorganization of the office functions and duties and quite frequently he feels it essential to his mental peace of mind to have new equipment as well.

"(2) Financial problems. For illustration, a new general agent usually finds that some of the older agents are indebted to the outgoing general agent and that both deferred new commissions and new commissions are no longer available for his current living expenses. In addition to meeting this situation, the new general agent must supply capital for agency expansion and must make sure that his own personal income does not fade away completely.

## Would Help Older Agents Improve Their Methods

"(3) These are the organization problems. The new general agent is anxious to help the older members of the agency to improve their methods and production. Also, he may have inherited some recently recruited new men who are critically in need of help in becoming established. Then, too, everyone, including the home office, expects him to add some new men right away. If the new general agent also inherits a salaried supervisor, chosen and trained by his predecessor, he may be very lucky or he may have a most serious organizational problem to face. The intrepid damsel who marries a widower with a large family of children faces no more arduous task than the new general agent.

"However, the picture of the new general agent is not altogether dark blue. The new broom sweeps clean. The change is stimulating to everyone and for a while the honeymoon atmosphere prevails in the agency. For that 'give him a chance' sportsmanlike attitude we are devoutly thankful.

## Two Lessons From Ben Franklin's Autobiography

"A long time ago Ben Franklin wrote a book entitled Autobiography. To my knowledge this is the first written account of a systematic method for improving one's habits. This famous American tackled in turn his personal failings, such as intemperance and procrastination. His records showed that his method was amazingly successful in overcoming his personal failings. Mr. Franklin, through this experiment, established two principles which are just as effective today as they were 150 years ago. In the first place he showed that only one fault should be tackled at a time. For a fortnight he would set himself the single task of correcting that fault. In the second place, he showed the necessity of keeping a written record of every success and every failure.

"In the life insurance business, the necessity for written records has long been recognized. The importance, however, of tackling only one problem at a time is frequently forgotten. The golf instructor who tells his pupil about the grip of the club, the stance, the back swing and the following through, all in the same lesson, leaves his pupil

sadly confused. Much of our teaching is guilty of the same thing.

## Regular Check-up Aids in Improvement of Work

"Ten years ago a college professor proved to me the value of a third principle. I was doing some outside research for three different professors. One of the three suggested that it would be very desirable if he met me once a week and suggested Tuesday afternoon at 4 o'clock, in order that he might keep in touch with what I was doing, and make suggestions. The other professors merely suggested that I come in at intervals for a review of what I was doing. In the course of a few weeks I discovered that I was doing twice as much work for the professor who required the weekly check-up as I was doing for the other two men combined.

"In our agency work the same principle holds true. There is no finer spur for an agent's continued activity than the realization that at a given time

his work for the week will be reviewed. To be pitied is the executive who does not check up on tasks assigned. As far as getting work done is concerned, he is in the same boat as the professor who is known to give no examinations.

## Joint Field Work Urged to Improve Agent's Methods

"In addition to these principles of supervision in the office, I want to add a fourth which is, in my opinion, of even greater importance, and that is joint field work with the agent whose methods we are trying to improve. The experts of the Research Bureau would name it Training on the Job.

"Shortly before I undertook general agency work, I heard the story of a rather successful general agent who was asked by one of the older but less successful men in his company where might be found a good supervisor. Our successful general agent replied that the problem was a difficult one and one to which he had given a great deal of thought and that he had arrived at the following conclusion:

"In the first place, a supervisor, to be a good one, would have to be a good salesman and therefore would require considerable outlay in the way of salary. In the second place, if he was

a good supervisor, he would very likely soon be ambitious to become a general agent himself.

## Decides to Hire Office Work Done, Be Own Supervisor

"Therefore, our successful general agent decided that he would hire competent people to do the office administrative and service work of the agency and that he himself would be the supervisor in the field.

"Let me review for you a few of the advantages to be gained through joint field work with your men. In the first place, you know what is going on. You know what your new or unsuccessful agent is doing. You can quickly decide whether to invest more money in him because of future possibilities or to pocket your present loss. Why spend hours in office discussion in trying to diagnose his weakness and prescribe for it when a single forenoon together in the field may reveal the real trouble without guesswork?

## Selling Not Dirty Work for Hired Help

"Furthermore, in talking over with the agent a joint interview, you invariably make practical sales suggestions



## A Great Organization for INSURANCE TRUST SERVICE

SOME indication of the careful study and organization behind The Chase National Bank's comprehensive service to advanced underwriters and their clients is given by the following outline of facilities set up for this important co-operative work.

- 1 An Underwriters' Advisory Council.
- 2 Lecture courses and slide films for group and individual sales presentation.
- 3 A wide variety of descriptive literature.
- 4 Experienced field representatives at eight offices, who co-operate with underwriters in presenting and closing cases.
- 5 Preparation of estate programs, corporation and partnership plans.
- 6 Appraisals of life values.
- 7 Circularization of Underwriters' prospects.

We invite advanced underwriters to call at one of our offices and learn about our definite working arrangements for increasing sales.

## THE CHASE NATIONAL BANK

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Head Office—PINE STREET CORNER OF NASSAU

Headquarters for Service to Underwriters

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Forty-four other conveniently located branches in Greater New York



## The Next Ten Years

**T**HERE comes a period of years in the life of every business concern when the greatest expansion is made and the greatest growth is recorded.

The Bankers Life of Nebraska is in that period. Every resource of our Agency organization is centered upon developing new territory.

This expansion program provides splendid opportunities for men of General Agency caliber in the states of Iowa, Illinois, Missouri, Pennsylvania and Ohio.

*Write*

A. B. OLSON, *Mgr. of Agencies*

## BANKERS LIFE INSURANCE COMPANY OF NEBRASKA

Home Office - - Lincoln, Nebraska



The  
Minnesota Mutual Life  
Insurance Company  
Saint Paul

*extends greetings*

*to The National Association of  
Life Underwriters*

**\$200,000,000.00**

Insurance in Force. Our 50th Anniversary objective was reached several months ahead of schedule.

**50th Anniversary**

On August 6th, 1930, our 50th Anniversary was celebrated through 100 offices in 27 States.

**New Business first part of 1930,  
150% of same period 1929.**

The Company's Sales Plans for 1930 contain a definite objective — \$60,000,000.00 Examined, \$50,000,000.00 Paid for Business.

**OUR SALES PLANS ARE WORKING —  
MAY WE TELL **YOU** ABOUT THEM?**

THE MINNESOTA MUTUAL LIFE INSURANCE CO.  
SAINT PAUL

## 10 Reasons Why The Federal Life Man Succeeds

1. **Because** he has in his kit every desirable policy form.
2. **Because**he can offer either Participating or Non-participating insurance.
3. **Because**he can insure children with premium waiver on applicant.
4. **Because**in addition to customary Disability and Double Indemnity he can offer the most attractive Non-Cancellable Income Policy with or without life insurance and with choice of life indemnity or 5- and 10-year aggregate indemnity with immediate hospital coverage.
5. **Because**he can offer a remarkable line of Commercial Accident and Health policies — quarterly payments if desired.
6. **Because**he can offer a most liberal commercial policy with premiums payable monthly — with or without accidental death but paying liberally for loss of hands, feet or eyes — with elimination period and immediate hospital coverage.
7. **Because**he can sell a Non-Cancellable Automobile Policy — \$5,000 and \$100 per month renewable to age 70 — men or women — a big seller to people already insured but who welcome this additional protection.
8. **Because**The Federal offers "Human Being" insurance on policies which fit in well with up to date life insurance programs.
9. **Because**The Federal is widely advertised and favorably known.
10. **Because**The Federal is thirty years old, with its first President at the helm — operating in 35 states — good open territory in all states and some exceptional opportunities in the state of ILLINOIS where most of the people are acquainted with the Federal and approve of its methods and policies.

## Federal Life Insurance Company

ISAAC MILLER HAMILTON, President

CHICAGO

**Over \$150,000,000 Life Insurance in force.**

**Over \$3,400,000 Accident and Health Premiums  
in force — equivalent to premiums on another  
\$150,000,000 of life insurance making**

***A Three Hundred Million Dollar Institution***

illustrated by the case in hand which might never occur to you in class training.

"By the power of your own example you prove to the organization that selling is not the dirty work for the hired help but that contact with the prospect, is the inmost core of our business. All else is detail work, supplementary to 'le moment supreme,' as the advertiser puts it. When you and your agent have worked together on a case, there develops a spirit of comradeship that is had in no other way. You are buddies from that time on; 1918 proved that two men who faced danger together have a friendship that nothing else can give.

"If all this be true, it is only natural to ask the question, Why is such work done so infrequently by general agents? We say it is because we haven't time. Of course we haven't time if we are handling a lot of correspondence, signing checks and looking up the dividend record of another company for an agent who has a case of competition. If we delegate these things we can find the time all right. What we really mean is, we don't like work of that kind, or we fear we shall appear at a disadvantage before our agent. We might show him we are not such a hot salesman after all. The sooner we forget about what people might think, and do the job that needs to be done, as well as we can do it, the sooner people will begin to think well of us.

#### Activity in Front Line is Best Mental Tonic

"Others may say that a general agent's job is essentially that of an executive. He should diagnose and delegate. There is no denying that he must do the planning and the heavy thinking for the agency, but if he spends his three mornings a week in field work with his men, the thinking and planning that he does during the rest of the time will be far more practical and effective.

"The general agent who runs his agency from the swivel chair back of his desk is in danger of the indigestion which comes from a cessation of physical activity, and this soon affects his mental attitude, and before long he becomes convinced that there is something the matter with things at the home office, or that he faces difficulties peculiar to his territory. Some activity in the front line is the best mental tonic. If there is any more productive way for a general agent to spend three mornings a week, I don't know what it is.

"In conclusion, let me repeat: Hire a general agent if you want to and pay him a salary, but by all means be your own supervisor."

## » » and what about **YOUR FUTURE?**



**T**HE successful insurance underwriter, like the successful insurance company, visualizes the results of the future through the synchronizing lense of to-day » » » utilizes results of past experiences, harmonizes them with present action, and capitalizes through applied initiative.

**T**HE ranks of our field force are being constantly strengthened by the appointment of new men » » » high caliber men who can visualize a great future for themselves in the Life Insurance Business » » » we can place several good men in California, Illinois, Iowa, Michigan, Minnesota, Ohio, Oregon, South Dakota, Texas, Washington and Wisconsin.

### LIFE • ACCIDENT • HEALTH BUSINESS IS GOOD —

IF UNATTACHED, AND INTERESTED IN READING  
"MANY STRONG POINTS" ABOUT OUR ORGANIZATION, ADDRESS AGENCY DEPT. 938, In care of:



## THE DIAMOND LIFE BULLETINS

### Mail Coupon Now

The Diamond Life Bulletins,  
420 East Fourth Street,  
Cincinnati, Ohio

- ☐ Please send me a subscription blank for The Salesmanship Section of The Diamond Life Bulletins, as I want you to enter my order.
- ☐ Send blank as above; ship accumulated files of six volumes at once. I am enclosing my check for \$10 as initial payment and I will sign the blank and note covering the balance due for the first year's service and return them to you.
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Name ..... Title.....  
Company .....  
Street Address .....  
City ..... State.....

A comprehensive Encyclopedia containing only practical, proven selling methods, classified and indexed for quick reference. Kept up to the minute with supplementary information each month as new methods develop.

The Salesmanship Section now in Six Loose Leaf Ring Binders. New subscribers receive all accumulated material, now more than 3,000 pages, in the six ring binders, and the monthly Sales Bulletins for a one year period for \$45. Initial payment \$10 and note for balance in quarterly installments. After first year Monthly Service \$2 a month.

**All phases of Life underwriting are thoroughly treated in the D.L.B.**



## Publicity Helps Sell a Million

H. A. Binder Tells How It Gave  
Him Opening For His  
\$1,500,000 Case

### FINDS PROSPECT CURIOUS

Had Read So Much About San Francisco Man That He Wanted  
to See Him

At the million dollar round table session Wednesday, H. A. Binder, general agent of the Massachusetts Mutual in San Francisco, was asked to tell of a \$1,500,000 case of an unusual character which he wrote recently. Mr. Binder said:

"In this particular case the client was the guardian of his children under a trust agreement left by his father. I had never seen the man. I knew that he had an income of something like \$300,000 a year. I called on him, and in my first interview he was interested in what I had prepared. Within 20 minutes, or half an hour at the outside, I had a doctor at his office and had an examination made. From there we proceeded to develop a trust agreement, and I finished up by writing approximately \$1,500,000 of insurance, on which the commissions were between \$25,000 and \$30,000.

### Court Order Required to Authorize Premium Payment

"In order that he might have the privilege of using the fund that had been established by the grandfather of the children, it was necessary that he should be appointed by the court. I secured the services of my own attorney, and we drove about 40 miles to the county seat of the county in which this man lived. We had the judge appoint him custodian of the fund so that he could use it for the purpose of paying the life insurance premium.

"The policy is on the father of the three children. The premiums were paid out of the fund left by the grandfather, and this man had to secure a court order enabling him to use the funds for that purpose.

"We arranged a trust fund for the children, the proceeds to be left under an option whereby the interest only was to be paid to them, and the fund left intact for the benefit of the children's children. It was all written on the ordinary life plan under settlement options with the companies. The father was 44 and the children from 11 to 16. The original amount of the trust estate left to the children was about \$6,000,000.

### Publicity Responsible for Securing Entrée

"My lawyer asked him a very pertinent question. He said: 'How did Binder ever get in to see you?' This man had only about \$20,000 of life insurance up to this time, and he said: 'Well, I had been seeing his name in print and had seen his picture attached to some of the articles he had been writing on life insurance, and I was curious to see what sort of fellow he was.' That is the only appeal I know of."

Question: Did you know about the \$6,000,000 coming to the children?

Mr. Binder: No, I knew nothing about that. I knew he had to get it.

### Letter Is Sent Out that Gets Results

But to go back to the background of building up a little publicity for yourselves. I get out a little letter and address it to the men. It is on my own letterhead, and along these lines, First

there is my heading, then the text follows: "Just as much financial care and worry may arise from the possession of capital as from the lack of it. The possession of a certain amount of capital does not mean freedom from financial care and worry, but rather increased responsibility.

"I have it on the authority of experienced officials of one or two of the largest trust companies that it is inevitable, even with the most careful selection, that bond investments will occasionally go wrong, and therefore even the best of such investments require constant supervision.

"I have an investment for you that will not require any supervision. It is safe beyond all question and will provide you or your family with an income as long as you live. Data can be placed at your disposal in a ten-minute conference. Please designate an opportune time to see you on the enclosed appointment card."

### Prospects Obtained from Directory of Directors

Then I have a very nice card with spaces for the date, the time of the appointment, and so on, and on the bottom I have in very small type, "Estates built by contract."

Question: What percentage do you get?

Mr. Binder: Oh, I should say 1 1/2 per cent.

Question: Where do you get your prospects?

Mr. Binder: I take Walker's Directory of Directors. It is a book containing the names of the directors of all corporations. I think it costs about \$30.

May I go a step further, and say that I buy newspaper space for display advertising. At one time I worked for a newspaper, and I get a lot of free publicity. A little booklet which I have here contains publicity from papers in something like 18 or 19 countries and many of the cities of the United States. I send out this little booklet.

### Appears Before Clubs Supplies Publicity

Also, I appear before various clubs and deliver talks on life insurance or some other subject, and I have had a plate made of this picture, which shows me riding on a camel in Egypt. That is my advance notice, and the clubs send it out to their members with various headings, inviting them to come and hear Binder talk.

Question: Do you appropriate a certain percentage of your income?

Mr. Binder: No, but I do spend for advertising and mailing purposes approximately \$250 a month, between \$2,500 and \$3,000 a year, including all advertising. As I say, I believe display advertising is good occasionally. I use the morning and the afternoon papers at home.

### Get in With Editor or Publisher of Newspaper

Here is something that a lot of you fellows who are big writers can do; you can get in with the editor or publisher of a newspaper. If necessary sell him some insurance. Then sell him yourself. The insurance man may be able to get over a story in one of his newspapers once a week or even two or three times a week, under a little human interest story. It may be mortgage insurance, income insurance, business insurance. In any event, he can tell the story—and so can most of you gentlemen—to the readers of any newspapers. I think you have enough human interest appeal to be able to write a little 500 or 600-word article, and if you sell the idea to the newspaper, it will publish it. I have done that for years. I was on the staff of the San Francisco "Journal" for about four years, and two or three times a week I had an article "By H. A. Binder, General Agent, Massachusetts Mutual Life Insurance Company," on some topic relating to insurance.

## Following Plan Means Success

(Continued from page 6)

yourself to do more business each year and — before you are scarcely aware of it—your later years will be taken care of. You will be a more useful citizen—your ideas will be respected. Let's become economically sound.

### Daily Schedule Must Be Revised Frequently

2. Daily Schedule: Written and revised frequently).

How are you spending your time? Do you lunch with life insurance men or with men who can help you increase your knowledge? Do you attempt interviews when convenient for you, or—at the best time for others? Do you always plan tomorrow today? If not, how can you avoid waste time? What is your biggest, most troublesome problem? List it on the daily schedule—crash into it daily and see what happens to it.

The daily schedule is priceless.

3. Definite Selling Plans: (Written and revised frequently, at least quarterly).

A minimum of one and—plan eventually—three or four. Men want only the essentials, and they love ideas with pressure behind them. To furnish such we must prepare.

4. Records: Are just as essential to a business man as a compass to a ship.

It is impossible to know essential facts without records.

### Definiteness Must Replace Confusion

The other day a salesman was complaining about lack of progress. His record showed that he had not made an attempt to close a case as large as \$25,000 during the whole year. It also indicated that during the past 26 working

## Tells His Methods



CLAY HAMLIN, Buffalo  
Mutual Benefit Life

days, that 18 days had passed without attempting to close a sale. Had he a right to be discouraged?

Are you actually doing the things your objectives require of you—or guessing about it?

Records are simply the machinery which furnish the truth and make it impossible to fool ourselves.

It appears that most men have courage to meet a big crisis, but that the majority of us have to develop the kind of courage required to carry out daily



# Greetings!

## To You—From Us

on the threshold of our  
35th Anniversary

Not the oldest — not the largest American company — but old enough to be solidly established and young enough to offer exceptional opportunity.

# Central Life Assurance Society

(MUTUAL)

T. C. DENNY, President

DES MOINES

IOWA

routine, but those who do develop that—win. And it can be developed!

It does not matter where or what we are today. It's what we are doing about it that counts.

The people of North America are not through buying life insurance. Probably sales of the next ten years will exceed the total of the past fifty.

But back of everything in the universe which goes on to completion—there is a plan—and

The beginning of definiteness means the end of confusion.

## Leaders Are the Learners Today

(Continued from first page)

and the other buildings in the University of Toronto medical school group. The handsome building of the Canada Life now nearing completion on University Avenue, drew the admiration of visitors, as well as the home office building of the Manufacturers' Life situated in a five-acre park owned by the company. Mary Pickford's birthplace was also pointed out.

This evening the conventioners will be guests of the Life Underwriters' Association of Canada at a dinner which will be followed by a revue, "The Follies of 1930."

The address of A. N. Mitchell, general manager of the Canada Life, was especially interesting to the representatives from the United States. Mr. Mitchell related how the organized agents, the organized companies, and the co-ordinated insurance departments of the provinces work in harmony for the betterment of the business.

The hall was slow in filling Thursday morning. A dense fog hung over Toronto, which induced sleep among those underwriters who sat through morning, afternoon and evening sessions Wednesday, with perhaps a committee meeting or two on the side.

The first speaker of the day was R. A. Brown, of the John Newton Russell agency, of the Pacific Mutual in San Francisco. Mr. Brown brought to the convention the second "echo" from the million dollar round table. Herman Binder gave the first "echo" Wednesday.

One piece of advice which Mr. Brown interjected was for underwriters to gain the friendship of secretaries of prospects and policyholders.

The registration department reported Thursday that more than 1,800 underwriters and their families are on the scene.

In presenting A. N. Mitchell, general manager Canada Life, Robert MacInnes extolled Mr. Mitchell's sympathy, friendship and understanding of the problems of the field force. Mr. Mitchell joined the Canada Life in 1915 as assistant superintendent and has been progressively elevated until in January of this year he attained his present title.

F. W. Ganse, chairman of the committee on co-operation with trust companies, presented a formula which he reported has been all but indorsed by the American Bankers Association, "Life Underwriters recognize the value and advantages of trust company settlements and trust company officers recognize the value and advantages of optional settlements of life insurance companies," is the formula. A leader in the American Bankers Association telephoned Mr. Ganse that this co-operative statement is subject only to the approval of the executive committee, which meets in Cleveland Monday.

### Big Attendance at Managers' Evening Session

The managers' session Wednesday attracted a gratifying attendance in view of the fact that it came after a full day of committee meetings and convention sessions.

The session was under the super-

vision of John Marshall Holcombe, Jr., manager of the Bureau, who is probably the hardest working man at the convention. Monday and Tuesday he conducted the advanced lecture course on agency management. Wednesday afternoon he delivered the greetings in behalf of the Bureau and the other speakers at the managers' section were Jay Ream, general agent Mutual Benefit Life in Pittsburgh; W. Lyle Reid, manager Eastern Ontario branch, Sun Life; O. Sam Cummings, state manager, Kansas City Life in Dallas, and John W. Yates of the Massachusetts Mutual in Detroit. The program was well integrated and the speeches were carefully, intelligently, and interestingly prepared and delivered.

Louis M. Crandall, special agent New England Mutual in Norwich, Conn., recommended a set of mnemonics by which underwriters may check to discover whether they possess the essential qualifications for the business. Mr. Crandall deceived one of the greatest omissions of the convention, taking two curtain calls.

A luncheon for trust company officers and underwriters interested in life insurance trusts was held Thursday noon. During the morning session, trust company representatives in attendance were invited to sit on the platform.

John G. Lonsdale, president American Bankers' Association, was unable to attend the convention to deliver his address, but F. V. Paro, vice-president of the Mercantile Bank & Trust Co., of which Mr. Lonsdale is president, took his place.

In presenting Mr. Paro, S. T. Whatley, president National Association, declared that the Mercantile Bank & Trust Co. was the first bank west of the Mississippi river actively to advertise life insurance.

The last two formal speakers of Thursday were William F. Dineen, educational director, Samuel Heifetz agency of the Mutual Life of New York in Chicago, and Clay Hamlin, general agent Mutual Benefit Life in Buffalo.

A meeting of the thirteen past presidents of the National Association in attendance was held following adjournment Thursday.

J. M. Holmes, vice-president of the Pittsburgh Association, spoke a few words on behalf of Pittsburgh, where the 1931 convention will be held. Convention headquarters will probably be the William Penn Hotel, he said.

The million dollar round table "echo" presented by W. Clinton Davidson was the final feature of the Thursday session. Mr. Davidson was introduced by Mr. Whatley as the man who paid for \$5,700,000 in the first six months of this year. His average case has been \$625,000 and his average premium has been \$23,000. In the same period he has brought to banks and trust companies in New York City \$17,700,000 in trust.

Mr. Davidson reported that although the average production of the members of the million dollar round table is \$1,530,000, the average amount of business brought to banks and trust companies is \$3,300,000.

### MRS. PEET NEAR-MILLIONAIRE

Mrs. Grace Howland Peet, of Detroit, who would undoubtedly be in the million dollar class but for a breakdown in health, due to overwork, was a specially invited guest at the million dollar round table session Wednesday afternoon. She has just re-entered life insurance work after being out of it for nearly two years. It was as Grace Howland, prior to her marriage, that she set a record which attracted nationwide attention. Her first year in the business she wrote \$250,000, the second year \$400,000, the third year \$500,000 and in her fourth year had a production of \$750,000 between August and January, when the pace at which she had been going proved to be too much for her health. She operates an indepen-

dent office, placing probably the bulk of her business with the John Hancock Mutual Life.

## Gives Solution to Old Puzzles

(Continued from first page)

bute some exceptionally valuable ideas on a vexing problem. Underwriters are constantly faced by prospects who want a dogmatic answer as to what percentage of their income they should invest in life insurance. Underwriters know the impossibility of giving a dogmatic reply, but most life insurance men are perplexed how best to explain that impossibility to the prospect without weakening the confidence of the prospect in the underwriter.

"I doubt whether that question can be answered dogmatically, because cases differ," Mr. Bragg declared. "I know that Mr. Babson and others in the field of finance try to write a formula now and then, but I have never been able to find one that would work. I do think that from the work of Mr. Griffin Lovelace and Dr. Huebner we might arrive at some principles that would give us an approximate measure of the amount that a man should put into life insurance."

"I will take this question, however, as a sales question and will tell you what I might do if my prospect should put it to me. I should like to tell him exactly, and I think if I had plenty of time to work it out I might put out a plausible formula. However, I am sitting at his desk. I realize that a doctor comes to see me, and when I am in pain the first thing he does is to relieve my pain and do something which will remove me from danger. Afterwards he may have blood tests and chemical tests and X-rays, but he takes some action immediately. So, if I were sitting here at your desk, I would try to answer you now."

### Takes Example of \$10,000 Year Man, 35 Years Old

"Let us suppose that you are 35 years old, your wife is 35, you have two children of seven and ten years of age, your salary is \$6,000 a year and you have practically no savings. You are living in New York City and spending all your money in keeping up a front. You carry \$5,000 of life insurance. If you should say: 'What percentage of my income should I put into life insurance?' I might say this, just offhand, that you ought to put in about five per cent and your family about 30 per cent. I really cannot tell you exactly, but I can tell you the maximum amount that you should put into life insurance as I see it, and you can tell me the minimum amount, and somewhere between the two we can strike a deal that will please you."

"As I regard your income of \$6,000 a year and your policy of \$5,000, I realize that you are probably putting \$125 a year into life insurance. I realize that by reason of your business luncheons, club dues, and the expenses of other activities as a business man, you are probably investing about 40 per cent of your salary, or \$2,400 in your own upkeep, and 60 per cent, or \$3,600 in the upkeep of your family. The expenditure of \$3,600 on the upkeep of your family of three means that they have a standard of living, on the average, of about \$100 per month."

### Suggests a Maximum Amount For Prospect

"Now, it seems to me that the ideal thing would be that you should buy enough insurance so that your wife and children would receive an income of \$1,200 a year to the end that they could carry on the standard of living that they now enjoy. I think you will agree that the fact of your death does not make any difference in their right to a

decent standard of living. But the interesting part of it is this. If they were going to set aside a part of their money to buy life insurance on your life, in order to produce some of the income, which you are now producing, every dollar they put into life insurance now would reduce their present standard of living. So here is their present standard of living, \$1,200 each. Tomorrow it would be nothing. But for every dollar by which they are willing to reduce this standard of living I could bring up tomorrow's standard \$2. We can keep increasing tomorrow and reducing today until we reach an equilibrium. I call that an ideal maximum."

"There would be no change in their standard of living, no drop from \$1,200 to nothing. Insurance on your life is about \$25 a thousand, and each thousand of insurance in a trust fund would produce about \$50; so each dollar of sacrifice today means \$2 tomorrow."

### Present Policy Can Be Used as Clean-up Fund

"You now have \$5,000 of life insurance. Four thousand of that will be required to pay your debts. That won't do them any good. Then we have your funeral, the cemetery lot, outstanding bills and taxes and all the other items of honour which would absorb nearly all of the \$5,000. I think you ought to carry that yourself, out of your share. That means that you put up about three per cent of your income, and that the members of the family put up 33 per cent of theirs."

"I will tell you what I think is the minimum for you. Your oldest child is ten years of age. If your wife ever had any experience in business, it must have been ten years ago. In the event of your death I think you ought to give her a living income for as many years as she has devoted to motherhood. It has taken her ten years to adjust herself to motherhood, and I suggest that you give her ten years to adjust herself to business. Do you think that would be fair? I suggest that to give them half what they now enjoy among them, for ten years, in which to learn that they have to carry things for themselves, would take about 8 per cent of your income. I consider that the minimum. What do you want to put in now by way of starting to lift this income from zero to nothing?"

### Mutual Benefit Meeting

One of the few of more or less formal gatherings as an incident of the convention was that of the Mutual Benefit Life. Oliver Thurman, superintendent of agents of that company, corralled the Mutual Benefit representatives on the scene for a round up.

This year has been exceptional in the scarcity of company gatherings. There are many home office men here, but probably because of the size of the hotel and the difficulty of collecting a group on short notice was responsible.

### Fete Newspaper Men

One of the pleasant features of the convention was the breakfast for newspaper men, at which the Canadian and National associations were joint hosts. This was all but a speechless gathering, and the guests were not called on to tell "how they did it."

President James A. Fulton, of the Home Life of New York, and H. W. Manning, agency head of that company, who very seldom miss a National association meeting, arrived on the scene Wednesday.

B. F. Hadley, vice-president and secretary of the Equitable Life of Iowa, was one of the early convention arrivals.



SEP 29 1930  
**3rd Convention Daily**

# **The National Underwriter**

## **LIFE INSURANCE EDITION**

**FRIDAY, SEPTEMBER 26, 1930**

### **SPLENDID GENERAL AGENCY OPENINGS**

Excellent territory for new general agents is now open in portions of **Pennsylvania, Indiana, Illinois, Oregon and several other States.**

If you possess the qualifications necessary to build up a successful general agency, we are in a position to offer a most liberal agency contract with long renewals.

**THE PACIFIC MUTUAL LIFE INSURANCE COMPANY** is the only large, old-line life insurance company issuing all these popular contracts:

**NON-CANCELLABLE INCOME POLICY**

**MULTIPLE PROTECTION POLICY, "it pays 5-ways"**

**THE NEW TERM EXPECTANCY POLICY (low rate)**

**THE NEW FAMILY INCOME POLICY**

More than 50% of our sales during recent months have been on our new **Term Expectancy and Family Income Policies.**

We also issue a broad line of **ACCIDENT and HEALTH POLICIES.**

For further information address

**ARTHUR C. PARSONS,**

Vice-President and Superintendent of Agencies.

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## **The Pacific Mutual Life Insurance Co. of California**

**LOS ANGELES, CALIFORNIA**

# Climbing to Success

**T**HE RECORDS in our Agency Department tell and retell in actual production figures how life underwriters are climbing to success with the Massachusetts Mutual.

One of the oldest Life Insurance Companies in the United States, the Massachusetts Mutual has created throughout the country a personality of strength and friendliness. It is consistently progressive and is growing rapidly. Its friends are everywhere, and are ever ready to testify to the faithful and efficient service that it always renders. Its representatives enjoy in full measure the necessary counsel, co-operation and service to make every relationship a definite advantage.

We have room for progressive young men who would like to climb to success with the

## Massachusetts Mutual Life Insurance Company

Springfield, Massachusetts

*Organized 1851.*

*More Than Two Billion Dollars of Insurance in Force*



# The National Underwriter

## LIFE INSURANCE EDITION

### Record Session Ends; Lackey Is Head

#### Star Speakers Hold Crowd

Sessions Close With Hall Filled  
Almost to Its  
Capacity

#### INDIANAPOLIS GETS PRIZE

Captures Prized Trophy by Increasing  
Its Membership from  
156 to 528

*Convention Headquarters,  
Royal York Hotel, Toronto, Sept. 26.*

Sustained by a forceful corps of speakers, interest was maintained throughout the final sessions of the International Convention of Life Underwriters. There was no anti-climax. The convention hall was almost as well filled late in the afternoon of the third day as it was early in the morning of the first day. Although thousands of words of the greatest selling advice available, of profound reflections on the business, of valuable experience had been released upon conventioners during solid hours of business, there seemed to be no point beyond which ambitious managers and producers could absorb no more. Pencils were busy until adjournment jotting down hints to take home for the instruction of agents or to be capitalized in greater personal production.

#### Great Insurance Talent on Third Day

The list of speakers on the third day contains some of the greatest talent in the business. There was Dr. S. S. Huebner, dean of the American College, anticipation of whose address held many to Toronto who otherwise would have departed Wednesday night. There was John A. Stevenson, home office general agent for the Penn Mutual, who is always graceful and forceful and brings an important message. There was James E. Kavanagh, second vice-president of the Metropolitan. There was J. J. Leddy with an interesting pedagogical approach to life insurance selling. Agent for the London Life in Saskatoon, Sask., Mr. Leddy was formerly head of the public schools in Ottawa. There was the sales demonstration by Charles C. Gilman and Earl G. Manning, which was presented with such sparkle that it brought the audience to its feet in approbation. Mr. Gilman is agent for the National Life of Vermont in Boston, while Mr. Manning represents the John Hancock in Boston.

Dr. W. W. Swanson, professor of economics, University of Saskatchewan, was unable to make his scheduled appearance. He has been called to the Imperial conference in London.

Group life insurance accounts for one-sixth of the \$100,000,000,000 in force, said Mr. Kavanagh. One-sixth of the insurance in his own company is paid

#### New Officers Elected

##### PRESIDENT

George E. Lackey, Oklahoma City, Massachusetts Mutual Life

##### VICE-PRESIDENT

Elbert Storer, Indianapolis, Bankers Life of Iowa

##### FIRST VICE-PRESIDENT

Charles C. Thompson, Seattle, Metropolitan Life

##### SECOND VICE-PRESIDENT

C. Vivian Anderson, Cincinnati, Provident Mutual Life

##### THIRD VICE-PRESIDENT

George L. Hunt, Hartford, New England Mutual Life

##### FOURTH VICE-PRESIDENT

Arthur S. Holman, San Francisco, Travelers

##### SECRETARY

Lee D. Hemingway, Pittsburgh, Connecticut Mutual

##### TREASURER

Robert L. Jones, New York, State Mutual Life (re-elected)

##### CHAIRMAN EXECUTIVE COMMITTEE

S. T. Whatley, Chicago, Aetna Life

##### NEW TRUSTEES

Paul Clark, Boston, John Hancock Mutual; John Newton Russell, Los Angeles, Pacific Mutual.

#### Oklahoma Man New President

Has Long Been Active Worker in  
Local and National Association Affairs

#### STRONG OFFICIAL ROSTER

Storer, Thompson, Anderson, Hunt  
and Jones Will Form Able  
Executive Staff

*Convention Headquarters,  
Royal York Hotel, Toronto, Sept. 26.*

While the election of George E. Lackey, of Oklahoma City, as president of the National Association of Life Underwriters at the conclusion of the annual meeting here today did not come as a surprise to any of the convention attendants, as his selection for the place had been a foregone conclusion ever since the tentative slate was announced by the advisory nominating committee, that fact did not lessen in any degree the enthusiasm with which the announcement was received. Mr. Lackey is one of the most popular men in National association ranks and has been one of the most faithful and untiring workers in the organization for the advancement of the principles for which it stands.

He was escorted to the platform after the election and spoke briefly, declaring it as his main ambition to keep his administration on as high a plane as the others which have preceded it.

#### New President Is Kentuckian By Birth

Mr. Lackey is 41 years old and a native of Kentucky, in which state he started his life insurance career. He was admitted to the bar in that state, but decided on life insurance rather than law as his career, largely on account of what he had seen regarding the dissipation of estates while looking after such cases as deputy circuit court clerk of Christian county, Ky. After a year as an agent for the Massachusetts Mutual, he became supervisor for the Kentucky state agency, with headquarters in Louisville.

He entered an officers' training camp at the beginning of the war and was commissioned first lieutenant. By reason of his experience he was assigned to the war risk insurance bureau, and served for some time as a member of the board of review, which was the final court of appeal on all matters of disability compensation and war risk life insurance. Later as insurance officer of the 101st division, he conducted life insurance schools for army officers to acquaint men with the war risk insurance and lectured to as many as 10,000 men returning from overseas, to

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cheques sent to the branch office, instead of being laboriously collected on weekly rounds. The savings are passed on to the small policyholders. The influence of great corporations in promoting the life insurance idea among millions of employees is of great educational value to the insurance business.

#### Estimated Money Value of C. L. U. Studies

Dr. Huebner estimated the money value of the course of study for the C. L. U. designation. He said the value was in the study and not in the title of C. L. U.. Attempts at short cuts have proved disastrous and candidates foolish enough to take the examinations by "cribbing" have only wasted their time without getting any advantage.

President E. J. Clark of the College of Life Underwriters told of the work of the past year, the examinations held and the co-operation of universities and colleges.

The experience of the Canadian companies in institutional advertising was described by Mr. Weston. They have been co-operating in the publicity for 10 years and are now spending \$50,000 a year. Results are satisfactory and the field men are following the campaign with interest.

Mr. Stevenson reviewed the changing ideas of education for life insurance salesmen and forecast the need of still better training.

The membership trophy, which is based on percentage gain and is a highly prized award, was presented to the Indianapolis association by Paul F. Clark. That aggressive organization made a determined effort last

year to win the award. Every man in the organization spent many hours of the year in buttonholing prospective members with the result that the Indianapolis association kited in membership from 156 on June 30, 1929, to 528 when the contest closed on July 1, 1930. The association has not relaxed its efforts since that time, for today the membership stands at 550. The president, George E. Lackey (although the obvious pun is no more appropriate than the epithet "Lucky Lindy") very graciously insisted that the president under whose administration the record was attained, J. T. Traylor, step forward to help receive the trophy. Also the chairman of the membership committee, Perry Meek, was called to the receiving stand.

Mr. Lackey states that although it will not be possible for the Indianapolis association to grow in geometrical proportion hereafter it will grow in arithmetical proportion.

#### Banquet Hall Filled to Capacity

The morning session was under the gavel of Paul F. Clark, chairman of the National association's executive committee. In the afternoon President Whatley of the National Association and President MacInnes of the Canadian association, presided.

Conventioners last night devoted themselves to pleasures of the banquet hall, theatre and ballroom. The spacious banquet hall of the Royal York was filled to capacity and the guests sat down in an atmosphere of good fellowship. After the banquet those who had

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## Institutional Ad Plan Used

Canadian Companies Have Co-operated in Publicity Campaign For Ten Years

### FIELD MEN INTERESTED

Dominion Association Printed Booklet Giving Selected Examples With Sales Arguments Developed

By J. F. WESTON  
Managing Director, Imperial Life of Canada

I have been asked to give some account of the venture of the Canadian and British companies represented in the Canadian Life Insurance Officers' Association in the field of what has come to be known as institutional advertising.

The term as it applies to the campaign we have been carrying on during the last ten years, means the advertising of the institution of life insurance and not of any particular company. The scheme is based on recognition of the fact that the remarkable growth in life insurance and the general success of the companies engaged in it is convincing evidence that the public regard life insurance as a vast system possessing tremendous strength, each established unit of which can be relied upon to fulfil its contract.

### Attracted By Principle Rather Than Company

That the people are more attracted by the principle than the company is evidenced by the number of companies in which the average insurer to any considerable amount holds policies. The history of life insurance justifies this confidence in the business as a whole and that this view is being constantly accentuated is the logical result of the effort which has been made in recent years by the great associations, including your own, to substitute ethical relations for destructive rivalries in our competitive activities. Institutional advertising is just an advance step, but an important one, in the co-operation which executives, actuaries and agents, through their associations, have effected and seek further to effect. It is a means of keeping the public informed on the aggregate results of their business and its bearing upon public interest.

### What the People Have Been Told in Campaign

During the ten years we have conducted our campaign we have told the Canadian people many things — that their premiums were not lying idle in company vaults but were actively at work in building up their country and furnishing employment for its people; and many more intimate things, such as, that delays are dangerous, that wives should not talk their husbands out of insurance, that lapsed policies were a tragedy, that providing for one's own old age was also a function of life insurance. Our message bears the signature, "Life Insurance Service," not the signature of any company or suggestion of company bias. This, we feel, makes more impressive the obvious truths we seek to emphasize.

Company advertising has become very excellent in recent years. It is indispensable as an educational medium between the company, its agents and its clients and is undoubtedly impressive in its public appeal. It is, however, primarily concerned in selling the particular policy or the particular merits of a specific organization.

Institutional advertising serves the broader purpose of keeping the public, which is interested in all companies,

## New Association Head



GEORGE E. LACKEY, Oklahoma City  
Newly elected president of the National Association of Life Underwriters.

informed on general movements in the business, and educating the whole people on its functions and values. For this purpose co-operative publicity is most effective. We have always had it in effect through the general publicity which the public press has given our business. This has been largely ignored by insurance men, who have done little to encourage or direct it. Still it is to this that the people as a whole are largely indebted for the comprehensive understanding they have of life insurance and we for the high favor in which it is held.

Editors everywhere appreciate the news value of anything that bears on a business which so nearly touches the interest of all the people. They pick up information on life insurance as and where they can and publish it in steadily increasing volume. Often what they publish may not appeal to the technicians amongst us. To them much of the matter will seem unimportant, the facts under- or over-stated in their bearing on the general question and not explained as they would explain them. Nevertheless the press uses a language which the public understands. You cannot disregard it with impunity, for it has the power to consolidate public opinion for or against an idea.

### Voluntary Publicity Out-distances the Paid

The press in the main has always been impressed with the character of our business and has been its constant protagonist. Without it, the co-operative work between companies in recent years could not have been as effective as it has been, for want of a medium through which to inform the public. Take a single instance. It is doubtful if the aggregate of company advertising in any year makes a mass impres-

sion equal to that made by the newspapers throughout the country each December by the publicity they give to the proceedings of the convention of the Association of Life Insurance Presidents and to the articles it inspires. They recognize that the facts presented there are authoritative and of a character which will interest their readers; and they spread them with all the power of the great media they control.

### Direct Attention to Concrete Worth

Our institutional campaign was based on an intelligent understanding of the value of general publicity as we had it and of the advantage it would be to the companies to guide and further stimulate it by giving full and exact information to the public through the strongest possible medium. Further, we felt that to capitalize on public favor it was necessary to divert the attention of the individual from abstract contemplation of the general beneficence of the business to concrete consideration of what it is worth to him; hence our series of sales ads, which have appeared consistently during the last ten years.

On both counts the success of our campaign has exceeded what could have reasonably been expected of it, having regard to its strict limitation set by the small amount of money allotted to it. The cost of our campaign has averaged \$50,000 per year. That is the amount we are limited to this year and this year's campaign is indicative of preceding ones. It embraces ten large advertisements in seventy daily newspapers and eight advertisements in nineteen farm journals. This gives an aggregate yearly circulation of considerably over 24,000,000 copies, covering practically the entire population of Canada. Forty-seven cities and towns are represented

## AMERICAN COLLEGE ALUMNI IN BREAKFAST REUNION

### NEW OFFICERS ELECTED

President, A. H. Bennell, district manager Mutual Life of New York, Youngstown, O.  
Vice-president, Paul W. Cook, instructor of agents Mutual Benefit Life, Chicago.  
Secretary, Henry Lawrence Choate, general agent Mutual Benefit Life, Washington, D.C.  
Trustee, Carl McCann, Northwestern Mutual, Indianapolis.

More than 30 alumni of the American College gathered for a breakfast conference Friday. The president of that organization, Harry McNamer, of Louisville, started the proceedings by leading the singing of "How I Hate to Get Up in the Morning," which was entered into with gusto and put the old grads in a jovial post-prandial frame of mind.

Mr. McNamer proposed a program of objectives for the coming year. He urged that each C. L. U. induce another underwriter to stand examination for the degree, so that a wider distribution of holders be attained. He recommended that members seek to inform the public through newspapers or other publicity mediums of the existence of the American College and the C. L. U. system. He said that a more complete directing of the American College should be prepared, which might be circulated for publicity purposes. Furthermore he advised that machinery be set up whereby alumni might be held to the high ethical standards of the order.

A resolution was submitted recommending creation of a committee to consider changing the name of the alumni association, so that alumni might be known as "fellows of the American College," capitalizing on the implications in the title, fellow of the American College of Surgeons. The resolution furthermore urged that subsidiary chapters in individual cities be organized.

It was decided that each alumni undertake to raise \$200 toward the \$40,000 yet to be collected to complete the Edward A. Woods foundation.

Sitting at either side of Mr. McNamer at the reunion were E. J. Clark, re-elected president of the American College, and Dr. S. S. Huebner, dean.

besides rural territory. By this means we are giving our agents "blanket" coverage in the true sense of the phrase — blanket coverage of all the homes of Canada, French and English.

We have always regretted our inability to secure the co-operation in this undertaking of the American companies operating in Canada. Could we have had it, our campaign would have been made more impressive and our work more effective.

### Convincing Advertising Is Potent Sales Factor

From the experience we have had it is the firm conviction of the advertising committee that co-operative advertising, educational advertising, sincere, thoughtful, consistent advertising is a potent sales factor. From our experience I would unhesitatingly say that our co-operative campaign, with its attendant publicity, has served in a number of important ways to promote life insurance sales. The various channels of effectiveness include:

1. Elementary educational effort and pioneer work, which could not be economically undertaken on an effective scale by individual life insurance companies.
2. Reduction of lapsations, through helping to maintain a proper attitude of mind on the part of existing policyholders.
3. Reduction of sales resistance in fields already highly developed.
4. Enhancement of the investment value of insurance in the estimation of

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## Big Influence of Big Business

Group Policies of Great Corporations Carry Insurance Story to the Masses

### LARGER GROWTH SEEN

Economies in Handling Are Passed on to Their Workers by Employers

BY JAMES E. KAVANAGH

J. E. Kavanagh, vice-president Metropolitan Life, was one of the international figures on the program, as his experience covers both the United States and Canada. He has been with the Metropolitan for 33 years, starting as an agent in 1897. He was made manager at Toronto in 1902 and two years later became superintendent of agencies for that territory. In 1915 he was made fourth vice-president in charge of the group division and has been since at the head of that division becoming third vice-president in 1919 and second vice-president in 1924.

Life insurance may be likened to the product of a factory. It is a species of protection manufactured and merchandised in methods very similar to those employed by factories manufacturing protection against cold, hunger, rain, heat, etc. The kind of protection that the insurance corporation manufactures is protection against the financial wants that usually obtain when death, disability, or old age arrive.

#### Recommends Plan for Contingent Commissions

For the most part, the insurance companies have merchandised their product through the medium of branch offices and agents, dealing direct with the ultimate consumer. In other words, by retailing. But there has arisen of late years another method of merchandising the product of the insurance company, which, by way of contrast, may be referred to as wholesaling, where there is not that direct contact with the ultimate consumer, but where a third party—the employer of labor—enters in and becomes the medium of contact.

Much publicity was given last year, and is still being given, to the fact

that the insurance companies of America have placed \$100,000,000,000 of insurance, and are now busy helping the American people to secure its second hundred billions. This getting of \$100,000,000,000 of life insurance was made possible through a combination of circumstances.

#### Field was Suitable for First \$100,000,000,000

To begin with, the field was particularly suitable. The 130,000,000 people in the United States and Canada were abundantly prosperous. They spoke the same language. They were, for the most part, an educated people. They had similar systems of government. They have much in common through travel, national publications, broadcasting and the movies. Easy access to and fro across the continent, and up and down from one country to the other, has created national and international conditions tending to bring the people together, and tending to uniformity of thought and conduct. The dollar currency of the two countries, the steady payrolls pouring out from the factories, the prosperity of the rural population, the splendid transportation facilities, the excellent financial institutions, affording opportunities for the people to be accustomed to money and cheque accounts, were all contributing factors. Any one of these factors might be enlarged upon, and each of them was, undoubtedly, a big factor in helping to secure this \$100,000,000,000 of life insurance. But probably the greatest factor in securing this \$100,000,000,000 of life insurance was the life insurance agency forces of the various companies—well-trained, full-time men, enthusiastically and intelligently presenting the merits of the various contracts. Still one more and very important contributing factor to the production of this \$100,000,000,000 of insurance was the direct influence of big business houses in America.

#### Three Factors, Not Two, in Big Business

Big business divides itself into three very distinct factors—labor, capital and management. Note, please, that there are three factors—not two. Labor produced capital by performing more work than was needed, and thus acquired a surplus of material. This surplus of material, which is really a surplus of labor, has become symbolized by capital. Capital can complement labor. This ability on the part of capital to work with labor called

for leadership, and that leadership is designated as management. Capital alone is useless. Labor misdirected is not nearly as effective as if wisely directed. But labor and capital commanded or directed by management makes possible the wonderful progress enjoyed in these countries during the past century.

Management has been (and is still) busy learning how best to harmonize these two factors—capital and labor. Throughout the world, there are gradually, but surely, being learned the lessons which bring about true co-operation between capital and labor. Management has learned how to co-operate and how to teach others to do the same. Management has learned how to pool capital—that is, to get a lot of capital together. It has learned how to pool labor—get a lot of labor together, and with all this pooled labor and pooled capital, management has learned how to have harmony. Management has, in the bringing of this about, developed many types of specialists—the economist, the banker, the statistician, the engineer, the insurance man, even the lawyer and the social worker.

#### Management Evolves Methods of Co-operating

The early disposition on the part of management of big business was to command its armies of workers in a somewhat czaristic manner, but big business has evolved a better method than commanding. It has evolved a method of co-operating. More and more wisdom is being displayed in the selection of men and women for the respective tasks required of them by big business. Greater attention than ever is given to training. Hiring and firing has been substituted by selection and retention of men and women in industry. Big business in its efforts to help men and women to help themselves has fostered many movements. It has gone into housing programs, co-operative stores, profit sharing schemes, stock distribution plans, building and loan associations, mutual relief associations, and others of a like kind all more or less having a financial side.

Just as big business has learned to apply discrimination in the merchandising of its raw materials and its finished products, just as it has applied the principles of production engineering to its manufacturing and merchandising programs, so it has brought to bear these same principles when it came to helping its employees toward financial progress. What more natural and logical step was there than that

management and big business should turn its attention to the matter of life insurance? It found its tens of thousands of employees woefully uninsured. It found them "passing the hat" when disaster came to the homes of their fellow men. It found them occasionally organized into mutual life relief associations.

#### Big Business Sought The Life Companies

Big business knew there was a better way and sought out the life insurance companies. I say this deliberately insurance companies rather than that the life insurance companies sought out big business, because it is a fact that much of the life insurance that has been put on the books of the life companies today has been placed there through the initiative of the management of business enterprises, rather than through the direct initiative of the insurance company.

Group life insurance, as it is known today, is to a very large extent an evolution brought about by the demands made of the insurance companies by the executives of big business. Benefit societies belonging to business enterprises going through financial embarrassment, through heavy morbidity or mortality experience, often appealed to the executives of their enterprises for aid, and the management of these big business enterprises quite naturally and quite properly turned to the life insurance companies for guidance and help. As a result, there has evolved this immense program of co-operative group insurance that now obtains in America. Under its operation big business co-operating with employees purchase from or through the life insurance companies billions of dollars of protection. Note, please, that the word "purchase" is used. This is used deliberately, because much of it is really purchased. Much of it is not directly the result of the efforts of the salesman. Many of the contracts in force today are not in force as a direct result of solicitation on the part of life insurance representatives. They are in force as the result of negotiations and conferences between the executives of big business and the executives or other representatives of the insurance companies.

#### Doing Type of Work Done by Agents

With no desire to minimize the work done by the life insurance companies themselves, may I call the attention of

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## New Vice-Presidents of National Association of Life Underwriters



ELBERT STORER, Indianapolis  
Ranking Vice-President



CHARLES C. THOMPSON, Seattle  
First Vice-President



C. VIVIAN ANDERSON, Cincinnati  
Second Vice-President



GEORGE L. HUNT, Hartford  
Third Vice-President

## Must Train Men to Win Success

Academic Knowledge of Functions of Life Insurance Will Not Produce Results

### APPLICATION IS NEEDED

Must Reach Client in Practical Way — Opportunities, Past, Present and Future

By JOHN A. STEVENSON  
Philadelphia Manager, Penn Mutual Life

John A. Stevenson, head of the home office general agency of the Penn Mutual Life at Philadelphia, well known to life underwriters all over the country, was formerly vice-president of the Equitable Life of New York in charge of its educational work. Mr. Stevenson was at one time a member of the faculty of the Carnegie Institute insurance salesmanship course. Prior to that he was on the faculty of the University of Illinois.

In speaking on a broad, general topic such as past, present and future opportunities in life underwriting, I feel to some extent as though I were delivering a college valedictory. I realize, of course, that those of us who are attending this convention have scarcely looked on 1930 as the turning point in our careers when we were to say farewell to preparatory activities and were to face the hard realities of life. But I think that if we survey the past 10, 15, or 20 years of life underwriting, we will come to the conclusion that during these years, as a group, we have been laying the foundation stones for a structure which we are now ready to build. Needless to say, our foundation job is not a finished whole any more than the college man's preparation for his career is finished when he steps into the world with a diploma under his arm. But I think you will agree with me that 1930 marks a definite milestone in life underwriting progress.

### Credit to Underwriters of Former Years—

When we go back very far into the history of life insurance selling, it is customary to direct some pretty strong criticism at the underwriting methods of the past. Moreover, this criticism of low educational and low ethical standards among a portion of the life underwriters is not wholly unjustified. Today, for instance, we know perfectly well that in presenting the insurance business to a new man, it is necessary, more often than not, to break down a "no" attitude toward the idea of life underwriting as a career. Why? Largely because of the picture formed in the public mind by too many untrained salesmen whom the life insurance companies have allowed to represent them in the past. But to my mind, we've allowed too much of the "evil" that these men have done to live after them, while too much of the "good" has been "interred with their bones." In other words, we think of the lack of training and loose methods and forget the hard work of countless underwriters who worked on the foundations of modern insurance selling.

May I pause at this point to pay my respects to that great army of industrial agents who by conscientious and untiring efforts in placing insurance protection where it is most needed have done much to make life insurance what it is today.

### Credit to Great Leaders of the Past

It is a little difficult to draw a definite line of demarcation between past and present-day life underwriting, for, as H. G. Wells once stated, "the beginnings of such things are never conspicuous." But there are conspicuous names of those

no longer with us and, therefore, of the past, which stand out among those who have helped to place life underwriting on a new basis; names like those of Edward A. Woods of this association, Winslow Russell of the Life Agency Officers Association, and A. A. Hamerschlag who, as president of the Carnegie Institute of Technology, had the courage to open that high institution of learning to a school of life insurance salesmanship.

When we think of modern-day life underwriting as differentiated from the life insurance selling of the past, we think of (1) the present emphasis on the necessity for training, (2) the linking up of a man's life insurance with the specific needs it is to meet, and (3) the widened scope of life insurance protection. These are all foundation stones on which the structure of modern life insurance selling rests, and I do not think we can overestimate the part played by these leaders in providing the opportunities which life underwriting offers today.

### Training of Today For Life Insurance Selling

In the "ten years ago" column of one of the insurance magazines, I noticed a few days ago a copy of the notice that I had stepped from the academic world into the insurance world. At that time, in interviewing the executives of various companies on the subject which was of primary interest to me, training courses for salesmen, it wasn't at all unusual to meet remarks like, "We don't want to make actuaries of our salesmen," or even the statement, "The less a man knows about life insurance, the better he can sell." Today, however, we don't have to plead the cause of training. Its value is an accepted fact.

Youngsters in the business today, of course, sometimes get the idea that training is of little value because they see a man who knows a great deal about life insurance and yet can't sell. The worth-while training program of the present day, however, has, as its primary objective, performance rather than encyclopedic knowledge. Consequently, when an agent of the intellectual type spends his time enjoying speculative excursions into complex underwriting, what he probably needs is some physical exercise in walking and talking.

Percentages among different companies vary as to how much production is increased by training, but every survey agrees on one fact, namely, that the trained man has a big advantage over the untrained man when it comes to distributing life insurance. Knowledge, as I have said, won't act as a substitute for work—it rather increases a man's obligation to work harder because of greater facilities and a broader field. But on the basis of this knowledge, the underwriter of today has an opportunity to build a stronger and higher structure than the underwriter of the past.

### Too Much Tangled Up in Red Tape to Sell

An idea which has been emphasized in our training programs during the past ten years is that opportunity knocks at the door of the salesman who sells insurance in terms of the definite financial needs it is to fill. But in putting this idea into practice we have run into a few difficulties. Briefly, in numerous instances individual underwriters have become so tangled up in the red tape of mapping out ideal programs for prospects' individual needs that they couldn't find their way out to sell insurance.

Oftentimes, of course, the diagnosis of needs doesn't present much of a problem. There is usually such a wide discrepancy between the amount of insurance a man actually owns and the amount he ought to have to make his family comfortable, that it takes no desk work at all to find what needs should be covered immediately, like insurance to cover a mortgage or for clean-up purposes, and to sell in terms of these needs.

There are many cases, however, where the problem of mapping out plans of insurance, or making insurance programs, or estate building—whatever name you wish to use—is not easy. While, then, we

don't want the alluring appeal of the program idea to create a mucilaginous atmosphere which keeps a man fastened to the office furniture, we must recognize the fact that a good many big cases are sold and a good many big underwriters do their selling on a program basis. In other words, there's a big opportunity here. What's the answer to the problem?

### Men's Careers Determined by Way They Spend Evenings

In my opinion, the only solution to the problem lies in using professional methods if we are going to do professional work.

The trouble with a good many life underwriters is that they want to do professional work without equipping themselves for that work. As a result, they spend a lot of time fiddling around in the office trying to dig things out when they ought to be out selling, and, often, when they do present the plan, they haven't enough information to carry the case through. Someone remarked not long ago that most men's careers were determined by the way they spent their evenings, and I think that there is nowhere that this statement is more true than in the field of life underwriting.

### Wider Scope of Life Insurance Service

We have indulged in a good deal of high-sounding conversation about the widened scope of insurance service during the past ten years; insurance trusts, business insurance, inheritance tax insurance, and bequest insurance. But we have only scratched the surface as far as the development of these forms of insurance is concerned.

Possibly you may recall Charlie Gilman's remark at the end of a convention meeting devoted to a discussion of bequest insurance when he got up and said: "Say, boys, this bequest insurance is great stuff, but how many of you hod-carriers can sell it?" I won't ask the same question here, but I will say that as a group I think we'll have to learn how to sell these types of insurance if we are going to go on bragging about the number of tools in our kit.

I'm not laboring under the delusion that learning the use of these tools is an easy job. It's not. But just the same, we must face the fact that the creation of insurance trusts for estate and family protection as well as for philanthropic purposes and the arrangement of plans for purchasing the stock of a close corporation and for the purchase of partnership interests through the co-operation of trust companies, are factors which must necessarily enter into first-class estate building. If, then, we life underwriters, as a group, aren't equipped to handle these tools, doesn't it seem probable that the trust companies rather than the life underwriters will develop this end of our business?

I'm not criticizing the trust companies—I take off my hat to them for the splendid work they are doing along these lines. The question I want to raise is this: If a life underwriter is content merely to "flush" prospects for the trust company, allowing the trust officer to take care of all the actual work of estate building or arranging a business insurance plan, won't the client come to look on the trust officer as the person to whom he should go for his insurance advice?

There is no question that there are individual underwriters who are doing exceptionally well along the lines of estate and business protection through their perfected knowledge of the use of these tools. But there is a challenge here to be met by life underwriters as a group if, during the next ten years, we are to make good on the ideals we have set up during the past ten years.

### Type of Men For Life Underwriting of Future

In looking over a number of articles on life insurance salesmanship written about ten years ago, I found a good deal said about the "lame ducks" of other professions finding their way into the life insurance business. We don't have to make any apologies for our personnel today. Not any line of business in the country could bring together a finer group

## Cites Opportunities



JOHN A. STEVENSON, Philadelphia Manager, Penn Mutual Life

of men than the group that's meeting here this week.

The big financial opportunities open to those who reach the front lines among producers, the advantages offered by work where merit is bound to have adequate recognition, and the satisfaction of being able to build a personal clientele have brought salesmen of unusually high calibre into the business. They, in turn, are building a firmer foundation for insurance selling than was laid by underwriters of former years.

The favorable impression made on the public by the professional life underwriter of today, the results of advertising, which I am sure will grow to be a far more important factor than it has been in the past, and the education of the public on the real nature of insurance through radio talks and other types of publicity, are going to break down barriers which, in past years, have been raised against the sale of insurance.

I do not mean that I think life underwriting will be an easier job in the future than it was in the past—but I think the opportunities will be greater for the man or woman who has the capacity for this type of work. The public will realize the part which insurance can play in family, estate, and business protection, but a better educated public is bound to demand more on the part of the life underwriter. If, then, we have a group of men with the innate capacity for high-grade work, the responsibility of equipping them for this work really rests on our training systems.

### Getting Picture of What Producer Must Learn

Someone told me the other day of the development of a moving picture machine which took 3200 pictures in the same space of time as the ordinary type of camera makes eighteen. Golf professionals and teachers of various kinds were tremendously enthusiastic about the possibilities opened up by this invention because of the minute analysis of movement which could be made. One stroke of Bobby Jones, for instance, which took him about a second to make, took four minutes to run on the screen.

We haven't any such rapid method of analyzing the work of the star producer, but I think we're gradually getting a pretty clear picture of what he must learn in order to make a success of selling. We know, for instance, that there is no clever scheme which can take the place of the old-time virtues of courage, persistency of purpose, and industry. We will emphasize the value of contacts. As James J. Hill said in emphasizing the value of thrift: "Are you able to save money? If not, the

(Continued on page 21)



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Training for Profit, Not C. L. U. Designation, is Real Purpose of Work

### SHORT-CUTS ARE DECRIED

Broad Study Pays Rich Financial Return—High School Preliminary Cannot Be Waived

By DR. S. S. HUEBNER  
Professor of Insurance and Commerce,  
University of Pennsylvania and  
Dean of the American College  
of Life Underwriters

Many years ago Benjamin Franklin, one of America's leading business men and a staunch friend of insurance, wrote the following memorable words: "If a man empties his purse into his head no man can take it away from him; an investment in knowledge always pays the best interest." These words are becoming increasingly significant as American business recognizes knowledge and service as its foundation stones. Service is not merely labor and honesty, because they may represent only honest effort without real value. Instead service is honesty plus knowledge, with the emphasis upon the knowledge. Honesty and industry are always presumed in any calling, but the knowledge must be acquired as an investment on the installment plan. Knowledge is essential if industry and honesty are to have their true meaning in our economic affairs.

Business represents the judicious union of two kinds of capital, namely property capital and human life value capital. In most callings, and especially in the professions, the property capital is relatively small and the life value capital is by far the more important. This is particularly true in the calling of life underwriting, which is and should be a profession of the highest order. The life underwriter is not paid for length of toil or degree of perspiring effort. If that were the basis of compensation, the life underwriter would be a mere wage earner, chained to a desk with a watchful superintendent over him enforcing a contract of hire based on stipulated hours of mechanical toil.

#### Agent Is Paid by Buyer of Insurance

Professionally, the life underwriter is paid by the buyer of insurance. The compensation is earned not for the mere act of selling something, but for the rendering of sound advice based on knowledge of his subject. Like the lawyer or surgeon, the life underwriter may earn his thousands of dollars in a few hours, and without any justified suggestion of a rebate from the client, if the proposition is large enough and the advisory counsel in connection therewith sound and practical.

Twenty-five years ago life insurance education was limited to the few, and there was little thought of such education for the rank and file of field representatives. Later we witnessed the development of short courses of study, extending over two, four, six, and in some instances ten or twelve weeks. Today, life underwriting may be said to be in the short course stage, just as was once the case in law, medicine, accounting and other professional callings. Such courses should receive our hearty endorsement. They represent a tremendous forward step. One of the finest indications of progress is the rapidity with which insurance com-

## Tell of American College



DR. S. S. HUEBNER, Philadelphia  
Dean of American College



E. J. CLARK, Baltimore  
President American College

panies are establishing departments of education directed by an educational supervisor.

#### Must Be Prepared Quickly To Earn Living

Everything must have a beginning, and it is necessary that the beginner in life underwriting should be prepared as quickly as possible to earn a living and to ascertain whether he or she has an aptitude for the calling. But such short courses, good as they are, cannot be more than a beginning. They are intended for the beginner, and aside from the information imparted, should whet the appetite for more. There is no such thing as final graduation in life underwriting, and extremely inappropriate is the frequently heard expression: "Young man, come into life insurance; it requires no capital." That statement may be true if our concept is limited to property capital. Life underwriting, like nearly all the professions, requires little property for its conduct. But if we have in mind the life value asset, representing investment by way of education and training, life underwriting in its true sense requires a large amount of capital by way of study and time in the development of the underwriter's mental equipment.

Present short courses, excellent as they are in initiating beginners, should be the forerunner of longer and more complete courses of study. That has been the march of events in all other professions. The most outstanding feature of modern educational development is adult education.

#### Adults Ashamed to Be Caught in Study

There was a time when graduation from the preliminary course of study marked the end of educational endeavor. Adults seemed ashamed to be caught at further study. But today the evening school of our universities and colleges are attended by thousands upon thousands of business men, many having sons in the day branches of the same universities and colleges, who are determined to improve their minds and their earning capacity in the chosen field of their life's work. This same program should be welcomed by the life insurance business, and the time is certainly ripe for life underwriting to emerge from the short course into the long course stage. The short course should be continued and emphasized, but its purpose should be understood and urged as that of preparation and inspiration for the more important type of study which lies

ahead. Life underwriting involves a required fund of knowledge so large that no one will ever be master of it all. Continued study throughout the working life is essential if one is to remain abreast of the times and to imbibe the spirit, vision, and opportunity of the calling.

#### Importance of Fundamental Business Subjects

The next 10 or 20 years will see an enormous development of life insurance in its investment and business services. Relatively less and less shall we emphasize the purely death aspect of life insurance. More and more life insurance will be presented as a creative force in the fields of thrift, investment, credit, conservation of life, protection of the existing property estate, organized philanthropy, and fundamental usefulness in the current business affairs of the insured. The life underwriter must therefore know more than just the narrow technic of life insurance itself. He must be a business man competent and confident in his knowledge of business, so that his mind may be on a full parity with that of the business man whom he is endeavoring to influence and to serve life insurance wise. He therefore needs to have a good background of knowledge in the fields of economics, business law, private and corporate finance, banking and credit, and investments. These subjects are fundamental to an understanding and solution of the problems of any business.

Other business callings have long recognized this point of view. Some 27 years ago accounting initiated its educational program leading to the designation of "certified public accountant." The technic of accounting constitutes the backbone of the course, but the allied business subjects of nature fundamental to all business are also included. An accountant is not an accountant when he knows only the narrow mechanical groove of accounting. He must know also the fundamentals and the problems of business if he is to apply his calling intelligently and creatively for business men.

Some 27 years ago American banking established its American Institute of Banking course of study, extending over three years and operating in all the leading cities of America. The technic of banking constitutes the backbone of the course, but the allied business subjects of a nature fundamental to all business are again included. A banker is not a banker when he knows

only the narrow mechanical groove of banking. He must also be a business man who understands the fundamentals and problems of business since he is obliged to deal with them daily in many ways. As William Feather has so well stated in his "A Business Man's Philosophy": "Successful men in business are those who understand what is going on around them. Some men master only the details of the job. Others master the principles behind the job."

#### C.L.U. Program As An Investment

Life underwriting is just as fundamental to our business life as is accounting or banking. It reaches out in innumerable ways to solve many of the greatest problems confronting family heads and business men. The life underwriter, just as was explained with respect to accounting and banking, is not the best underwriter when he knows merely the narrow groove of life insurance. He too should be equipped with a broad knowledge of the fundamentals of business. Time upon time, I ask my former students, now successfully engaged in life underwriting: "Please tell me frankly what it is which has given you the greatest power, the greatest confidence, and the greatest money-making ability in your calling. Is it the instruction in your life insurance courses with me or is it your business course as a whole?" And invariably the answer is: "Our training in the principles and economics of life insurance has proved very useful, but frankly speaking, and we trust your feelings will not be hurt, the greatest good by way of income-producing capacity is attributable mainly to the business course as a whole, and particularly to the business subjects closely allied to life insurance."

Through its chartered life underwriter program of study, the American College of Life Underwriters is endeavoring to do for life underwriting what the C.P.A. course of study has accomplished for accounting, and the A.I.B. course of study has done for banking. Life insurance (the principles, practices and economics, together with the principles of salesmanship and the psychology of life insurance salesmanship, as covered by the first two C.L.U. examinations) constitutes the business subjects of a fundamental nature incidental to all business are also included.

#### Economics Has Big Value In Life Insurance

The third examination covers English, economics, and sociology. The importance of English is apparent because it serves as our daily tool of expression in speech and writing. In ever so many circles it is regarded as an outstanding index of the man, and often serves either to make or to break him. Economics is the thought-provoking subject in business. No subject of which I know does more to stimulate mental action and to raise the underwriter's vision and power of creative work in his calling. In fact life insurance is the economics of human life values. Every principle of economics may be applied through life insurance to the money value of life as it relates to family and business. But the numerous principles must be studied and understood, or they remain unknown and unavailable to those who would otherwise be in position to use them for commission-making purposes. Sociology is almost equally important as a mental stimulus to the life underwriter. It deals with the problems of poverty, thrift, organized philanthropy, the support of education, and similar social problems. In fact life insurance, aside from its economic nature, is essentially a sociological institution.

The fourth examination covers the principles of business law, including wills, trusts and estates, and partnership and corporation law. These are the various things which the underwriter is dealing with daily. Life



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*Ralph H. Rice ~ President*



insurance is related most intimately to all of these subjects. They are discussed on every hand today, and will be increasingly important in the future. It is surely not an excessive demand to ask the life underwriter to master two or three good texts in this important branch of business learning, and thus acquire a lot of practical and money-making information.

### Three Business Subjects In Fifth Examination

The fifth C.L.U. examination comprises the fundamental financial subjects, corporation finance, banking and credit, and investments. Life insurance is corporation finance applied to the money value of human life. It is also a great creative force in the field of banking and credit. It is also a 100 percent investment as regards every one of the fifteen attributes of a good investment. All of these things will become clear, in fact elementary, to the underwriter's mind if he will but study the fundamentals of these financial subjects. Again, it is surely not excessive to ask the underwriter to master one good text in each of these three outstanding financial subjects, thus

again acquiring a lot of practical and money-making ideas.

The life underwriter makes his money out of ideas. He is essentially a teacher of ideas, and the C.L.U. program is designed to give him in comprehensive fashion the ideas which he should translate into action. That this is the case is attested most glowingly by the numerous letters which have been received from those who have paid the price of study and who now hold the C.L.U. designation, or have completed its attainment to a substantial degree. These letters are a real treat to read and afford the finest reward to those who have been laboring to bring the C.L.U. movement to fruition. Practically all of the letters refer to the usefulness of the information acquired, the enlarged power and confidence of the individual in dealing with his clients, and the stimulus for further study.

### Discover Needs Instead Of Talk About Them

Time upon time attention is also called to the incentive for greater attention to business and investment insurance with the result of reaching a higher type of client and an increased size of application, to the greater ability

to analyze and discover needs as contrasted with mere talk about needs, to the noticeable change in the viewpoint of the client to the recommendations made where the C.L.U. designation is known to him, and to the urge, because of the desire to obtain the designation, of pursuing a comprehensive course of studies which would otherwise not be undertaken. Where candidates have already completed the courses in the business school of a university or college, the letters invariably emphasize the importance of review of material previously covered but which had slipped away or had become colored by haphazard daily practice. It is also important to note that almost one-half of all who have passed the C.L.U. examinations thus far are general agents or managers, assistant-managers, teachers of life insurance, sales promotion managers, district superintendents and agency supervisors, or home office representatives. This is a very encouraging sign in the formative years of the College. From this group, the letters repeatedly emphasize the importance of the C.L.U. program as a means of improved ability to advise the agency personnel.

Not a single deprecating letter has

been received thus far. And surprisingly numerous are the successful candidates who regard economics, sociology as the most beneficial of the entire C.L.U. list of subjects from the thought-provoking and money-making standpoints. It does seem conservative to appraise the C.L.U. program as an additional \$1,000 a year income investment for the average underwriter who knows he has an aptitude for calling. For the exceptional underwriter the investment worth is sure to be much greater. A similar type of long course study is already being considered by leaders in the two other main divisions of underwriting, namely property insurance and casualty insurance. It is altogether likely that before long we shall witness the establishment of a Chartered Property Underwriter (C.P.U.) and a Chartered Casualty Underwriter (C.C.U.) program to correspond to the C.L.U. program in life underwriting, thus placing underwriting in all of its major divisions on a parity with other professional business callings with respect to the education and training of those who serve the public.

### Essentials for Obtaining the Investment Worth

For years we have become accustomed to "pep talks" on work, often of such forensic nature as to bring down the house. "Work, work, work" urges the speaker, but rarely if ever is there an explanation of what the work concept should really be. Most of the time the speaker has in mind mere selling to the exclusion of everything else. Yet any one ought to know that industry is essential to success in any calling. In any profession the work program should

### Southern Leader



NEIL D. SILLS

Neil D. Sills of Richmond, Va., former president of the National Association and long one of the most active life insurance men of the south, had an international interest in this convention as he is Virginia general agent for the Sun Life of Canada and therefore interested in Canadian conditions as well as those in the United States.

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ways include an adequate allotment of time for study of the subject-matter involved. The life underwriter, like his client, has a life value of his own. He is the trustee of that life value, which consists of the money worth of the years between his present age and the age of retirement at 65. The results of the last 31 years of a 35 year working period will depend largely upon what is done with the first four years of thorough preparation.

It is therefore highly important that those who wish to prepare for a life underwriting career should recognize the need of devoting a reasonable amount of time and money towards their educational preparation. They should regard such an expenditure as a necessary and wise investment. The young accountant or banker regards four evenings a week for three years and an annual tuition of \$100 to \$150 as a matter of course,—as an investment to be presumed if he is to get anywhere in his calling. But the average life underwriter, with many exceptions of course, is still living in the stage of \$10 education confined to a few weeks of preliminary training. He should realize that following his preliminary course it is necessary to continue his studies much further. He too should regard the setting aside for study of a few evenings a week for three years, and of a \$100 expenditure annually for the same period, as a matter of course investment which will yield dividends of extraordinary proportions.

#### Huebner Has to Sell Students on Education

The prevalent viewpoint is apparent to any teacher of life insurance. At least three out of every four times when the young underwriter consults me with reference to enrollment in my course on the principles, practices and economics of life insurance, I am obliged to apply the following brand of salesmanship. The candidate inquires about the tuition, and when told that \$40 is the university's customary tuition for that course, wonders if it is worth while to expend that much. He is told that he had better not enroll because he hasn't grasped the first fundamental principle of the proposition. He is told that for a period of 25 weeks the course endeavors to emphasize each week one good practical money-making idea, which the student ought then to be capable of translating into action during the balance of the year for some one client to the extent of a \$40 commission. One session will be devoted to the relations of life insurance to thrift, another to its nature as a good investment, another to its use as a means of hedging obligations, and so on evening after evening with reference to the relations of life insurance to credit, to wills and the management of estates, to the protection of existing property, to the liquidation of business interests to the creation of bequests, etc. Each idea should be worth at least \$40 in the course of a year and the 25 ideas should net on the money investment of \$40, for every year of work thereafter, at least 25 times \$40 or \$1,000.

#### Can't Spare the Time From Bridge and Dancing

The prospective student now regards the investment as worth while from a money standpoint, but still wonders if he has the time to give regularly one evening each week throughout the academic year; he is working so hard. But upon heart to heart consideration of the matter, we find that he is really not doing much with any evening at any time. One of my greatest difficulties is to get young underwriters to pursue a longer course of study conscientiously. They seem to be in such a hurry and so unwilling to pay the price of systematic application. They seem so unwilling to set aside religiously a few evenings a week for a few years for the attainment of a real objective. They are so prone to allow

bridge parties, movies, dances and all sorts of inconsequential affairs to divert them from the straight course absolutely essential to the completion of any worth while educational investment.

#### Widespread Attempt to Win Degree by Short-Cuts

The American College of Life Underwriters has been established sufficiently long to reveal clearly a rather widespread attempt to attain the C.L.U. designation through ill-advised short-cuts. In quite a few instances institutions of learning have been requested by groups of underwriters to establish a short one-term course to cover all of the subject matter comprised within the C.L.U. program. In other instances, study groups have economized by simply studying the answers to previous sets of questions, of course with regrettable results since subsequent questions cannot be the same. In other numerous instances candidates studied for and passed all of the last four examinations, but failed in the life insurance portion of the course because they presumed that they knew that part and therefore neglected study of life insurance itself. In still other instances an effort was made to gauge the coming questions in one way or another, with equally poor results in the final outcome. Such ridiculous practices should be tabooed. They are the opposite of thoroughness in education. They are a mere "cramping" and result in a smattering of undigested knowledge. A long course of study cannot possibly be converted into a short course by these or any other short-cuts.

#### Important Change in the C.L.U. Program

Profiting by experience, and in the interests of sound education, the American College of Life Underwriters is extremely anxious to discourage all such short-cuts. To that end the new bulletin of the college outlines in detail the 12 sub-divisions of the C.L.U. course on the basis of a three-year study program, with an allotment of two hours a week, for 25 weeks, to each of the divisions. Moreover, the examinations may now be taken in three instalments, instead of two as formerly, and any instalment desired by the candidate may be taken first. The first instalment comprises the first two examinations, relating to life insurance and life insurance salesmanship. The second instalment consists of the third C.L.U. examination, comprising English, sociology, economic problems, and government and taxation. The third instalment covers the last two examinations, comprising commercial law and insurance law, wills, trusts and estates, corporation finance, banking and credit, and investments. It is recommended that the instalments be taken in the order mentioned, but the candidate is free to choose any other order if so desired. Where the candidate has graduated from a university business school, and has had all of the subjects, only a review seems necessary and all five examinations may be attempted at the end of a year. But where the candidate has simply had a high school education, it would seem desirable to pursue the aforementioned three-year program with a view to taking one instalment of the examinations each year. The suggested study-period evaluation of the several subjects corresponds to general university practice and will assist higher institutions of learning in cooperating with our college along wholesome and commendable lines.

So often inquiry is made as to the length of time necessary to prepare adequately for the C.L.U. examination. As the bulletin of the college explains: "It is impossible to answer this categorically as so many variables must be considered. Possibly the most important of these is the previous education of the applicant. Underwriters who would be eligible to take the examina-

tions may be divided into four groups. First are those who hold a bachelor's degree from a collegiate school of business, second are those who hold a bachelor's degree from a college of arts and science, third are those who have a high school education only, and finally are those who have received some collegiate training but have never graduated from a higher institution of learning. Since persons in the first group will probably have covered most of the subjects in their college or university careers, preparation for the C.L.U. examinations will be largely a matter of review. Those in the second group will doubtless be able to master the subjects much more readily because of their mental training, whereas those in the third group will generally require a thorough and systematic program of study. Those in the last group will naturally find their place somewhere within the limits just defined, depend-

ing upon the extent and nature of the college or university courses they have taken."

#### College Firmly Established And Growing Each Year

In conclusion, it should be stated that our college is firmly established, and that its progress has been rapid. The number of candidates examined has increased 100 percent between every examination, 66 having taken the examination in 1928, 114 in 1929, and 233 in 1930, representing 86 cities and towns in 30 states, the District of Columbia and Japan. The number of C.L.U. awards was 36 in 1928, 64 in 1929, and 108 in 1930. Twelve additional candidates have passed all of the examinations but must complete their three years of satisfactory experience before receiving their diplomas; 20 more have passed four of the five required examinations, 48 have credit



## Welcome to Toronto

THE Manufacturers Life extends a cordial invitation to delegates attending the Fourth International Convention to visit the Home Office—100 Bloor Street East.

Established in 1887, the Company not only transacts business in Canada, United States, Great Britain and Ireland, but also has agencies in Newfoundland, Egypt, South Africa, India, Burma, Ceylon, Straits Settlements, Federated Malay States, Siam, China, Hongkong, Japan, Philippine Islands, Hawaii, West Indies, Central and South America.

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for three of the examinations; and 29 more for two. Arrangements were effected with 14 colleges and universities to conduct the examinations in June, 1928; during 1929 thirty additional institutions signified their willingness to aid in the same way; and 16 more were added to the list during 1930. A year ago 12 universities and colleges had signified their intention of offering the necessary instruction for candidates, and since that time 22 others have indicated their willingness to cooperate in the same manner. Fourteen special study groups in that many cities were reported a year ago, but that number has since more than doubled, there being now 29 groups actively at work during the past year or contemplated for the coming examinations. Moreover, at least 30 companies are now encouraging the C.L.U. program for their personnel. Judging from our correspondence between 600 and 700 are now preparing for subsequent examinations.

#### Main Purpose Is Education, Not Degree

All facts indicate a situation rounding greatly to the dignity and welfare of life insurance and more in keeping with the educational record of other business professions. It does seem that at the present rate of growth 1,000 candidates will be taking the examinations annually five or six years from date. But the main purpose of the American College of Life Underwriters is not the awarding of the C.L.U. designation. Instead, it is the work behind the designation which is the all-important factor. And this brings me to the one remaining problem, still heard of occasionally but by no means as frequently as two years ago, namely, the educational prerequisite of high school graduation or its legal equivalent for permission to take the C.L.U. examinations.

There are of course many life underwriters, particularly among the older men in the business, who did not have the advantages of a high school education, but who are unusually well qualified as life underwriters by reason of long experience and exemplary self-education. They are the survival of the fit,—the Abraham Lincolns in the business. Being established and often with many serving under them, it is hoped that these men, as lovers of the life insurance cause, will support the college, which is essentially a young man's movement for the coming generation. We simply cannot waive this educational pre-requisite. It is a universal American condition in educational circles. Were we to do otherwise, the cooperation of colleges and universities would be withdrawn at once, and the C.L.U. designation would become a mere commercial badge without standing in the educational world. We would have died before birth, if the college had decided to operate in defiance of the universal custom.

#### Course Worth While Without the Degree

The C.L.U. designation has the standing of a degree, and degree standards must therefore be maintained at all costs. This subject has engaged the attention of the college's authorities to a probably greater extent than any other and the unanimous conclusion is that there is no other solution than the one arrived at. No college or university of standing permits anything less for degree purposes. In all but two states of the union, C.P.A. examinations are based upon this pre-requisite. All professional designations today also make it a requirement. The government even requires mail carriers to meet this condition. The same standard is also true of nurses serving in most leading hospitals.

But this does not mean that only those eligible to take the examinations should be interested in pursuing the C.L.U. program. As already stated, the underlying objective of our college

## Clark Tells of College's Work

### Widespread and Generous Support Given to C. L. U. Plan by Educators and Underwriters

#### AWARD DIPLOMAS TO 108

Alumni Represent 70 Cities, 45 Companies and 8 Universities — Number Doubled in 1930

By ERNEST J. CLARK  
President American College of Life Underwriters

The incorporation of the American College of Life Underwriters under the laws of the District of Columbia in January, 1927, was the culmination of an educational movement in life underwriting that had been developing for approximately 15 years, although less than four years old, there is probably no institution of higher learning on record whose course of study leads to a degree or professional designation that has made such rapid progress, or received so widespread and generous support. In this period of less than four years, its machinery has been perfected, the educational standards set up and a course of study outlined that has commanded the interest, enthusiasm and support of life underwriters, life insurance executives, and educators throughout the United States, and even in the Orient.

#### Identical Advantages Throughout Country

Thirty-four universities and colleges have installed in their curricula all or a part of the chartered life underwriter course of study which leads to the C.L.U. designation. The American college, though permitted to do so under its charter, does not conduct educational

is not the awarding of C.L.U. diplomas but the work which lies behind the diploma. Its object is to raise the entire heaven of life insurance education.

#### Accept Opportunity as Money Making Investment

The C.P.A. movement had this same objective for its outstanding purpose, namely the setting up of an educational program for all accountants to strive for, even though they do not come up for the examinations. To say "I will not support the C.L.U. movement because I cannot take the examinations" is a narrow view inconsistent with the welfare of the institution of life insurance which we should all love and wish to see improved as regards dignity and usefulness. Older men in the business should not regard the college's educational pre-requisite as a reflection. It is simply an unavoidable condition, since the college is subject to investigation by our boards of education. It will be recalled how only a year ago the board of education of the District of Columbia investigated our college, particularly with reference to our enforcement of the high school educational pre-requisite. All have the opportunity to pursue the course of study whether eligible for the examinations or not. They should avail themselves of the opportunity as a money-making investment. For many of the older experienced men the annual increased return will run into the thousands, instead of the \$1,000 previously referred to for the average young underwriter. All should undertake to reach the full C.L.U. objective as far as possible. If not attained in full, it is much better to climb one-half or one-third of the way than not to step on even the first rung of the ladder.

courses in its own plant and by its own teaching staff, preferring to regulate and advise in the conduct of a standardized course of advanced life insurance education and allied subjects in the various universities and colleges of the country, thereby giving to the life underwriters of the north, east, south, and west identically the same educational advantages. The college is also bringing to our home offices throughout the land this invaluable educational service and it is gratifying to observe the increased interest and cooperation that is being manifested and extended by our life insurance executives in consequence.

How well the college has succeeded is fully demonstrated by the results, with the official awarding of 108 diplomas by the president in accordance with action of the board of directors on Tuesday, Sept. 23, as a result of the C.L.U. examinations held in June, 1930, in addition to 100 in 1928 and 1929. We now have, therefore, an alumni of 208. Twelve other candidates have passed all examinations, but lack the necessary three years of satisfactory life insurance experience as required before the diploma can be formally granted and the C.L.U. designation awarded.

#### China Represented in C.L.U. Alumni

These C.L.U.'s represent 70 cities in 32 different states, the District of Columbia and China. They also represent through their affiliations 45 life insurance companies, in addition to which 8 university and college professors who are teachers of life insurance have passed all required examinations and been awarded the C.L.U. designation.

The examinations are conducted in 61 leading educational centers proctored by college professors under fixed rules established by the American College and which accord with recognized rules regulations of the respective universities so far as educational prerequisites and character of the course of study are concerned.

The chartered life underwriter course of study is not an easy one and there is no short cut to its accomplishment. Some of our candidates have thought so and came to disaster in the examinations because of lack of thorough preparation in all subjects involved. A knowledge of the subject matter in at least 17 text books is necessary to a proper completion of the course, and 24 text books are included in the suggested list referred to in the "Topical Outline of Subjects Covered by the C.L.U. Examinations."

#### Valuable Investment of Time and Money

It is not my purpose, however, in any way to inject a note of discouragement in the plan of any life underwriter to pursue this course of study, but on the contrary to give every possible encouragement, at the same time impressing all of our potential candidates that the chartered life underwriter course of study is the most valuable investment of time and money that any life underwriter can make from the standpoints of increasing ability, efficiency, character of professional service to clients, volume of new business, production, and income in consequence. Furthermore, the completion of this course of study and successful passing of all examinations is recognized by the awarding of the C.L.U. designation which corresponds to other professional designations and degrees.

The college, as indicated, has passed its testing stage and is now firmly established as the directing force behind a system of advanced education in life underwriting and its allied subjects. Standards were set high at its inception. They have been rigidly maintained on that level and they have commanded the universal respect of life underwriters, home office executives, and our leading universities and colleges.

It is most gratifying to observe the growing interest manifested by our leading life insurance executives in the

college and a desire that has been expressed by officials of certain companies that we consider favorably the installation of a second course of study adapted to have office executives and employees, but not actuarial in character. They feel that the American College is the logical institution to supervise and handle this additional educational plan in preference to organizing a separate educational institution for life insurance companies.

This matter has not progressed, however, to the point of the company submitting their plan, consequently no form of action as may be taken by the board of directors cannot at the present time be forecast.

#### Alumni Association a Tower of Strength

The officers of the college look forward to the alumni becoming a tower of strength and influence for the advancement of this all important educational movement. The alumni association is officered by most capable chartered life underwriters and has the following objects outlined in its constitution:

- To advance in every legitimate way the higher education of those engaged in the profession of life insurance and students who contemplate entering the career of professional life underwriter.
- To maintain at all times the dignity and high professional standard that properly attach to the chartered life underwriter designation.
- To cooperate with the American College of Life Underwriters in extending its influence and educational program among the universities and colleges of America.
- To bring into social and friendly relations those engaged in the profession of life insurance who have acquired the C.L.U. designation.

#### Urges Early Completion of Endowment Fund

No worth while institution, educational or otherwise, can function properly or carry on its work efficiently without adequate financial income and the American College is no exception. Although each candidate pays a registration fee of \$50 if he desires to take the entire series of examinations, and an additional diploma fee of \$5 if successful, this revenue is not adequate to meet operating expenses. The cost of providing examination centers, the grading of all examination papers (a herculean task), stenographic assistance in handling the constant and extensive correspondence, printing, postage, stationery, traveling expenses, and modest honorariums to the dean and assistant dean in comparison to their invaluable services rendered, more than consume this income. To meet the situation in part at least, and overcome the handicap of inadequate revenue, the Edward A. Woods Foundation was created as a memorial to America's outstanding life underwriter and the first president of the college. Approximately \$60,000 has been subscribed to the foundation, leaving \$40,000 yet to be secured. It is most essential, therefore, that this fund of \$100,000 be completed at the earliest possible date in order that the college may be able to balance its budget by receiving an additional income of \$5,000 per annum from the endowment.

#### HOLCOMBE'S HOAX

John Marshall Holcombe, Jr., manager Life Insurance Sales Research Bureau, is inventor of a hoax to bring back-of-the-hall conversationalists and outside-the-hall loafers to their seats so that sessions might be started. He asks those in their seats to clap vigorously so that those outside will think the sessions are under way. The hoax always worked.

Representatives of the National Life of Vermont gathered for lunch Thursday.



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T L A N T I C O C E A N

## "Hard Headed" Sentiment O. K.

Appeal to Instincts and Emotions  
Should Be Made on Cal-  
culated Basis

### VARIES WITH PROSPECT

Different Forms of Appeal Also  
Needed For Selling Domestic  
and Business Insurance

By J. J. LEDDY

London Life, Saskatoon, Sask.

*J. J. Leddy, assistant manager of the London Life at Saskatoon, has been in charge of northern Saskatchewan for that company since 1916. He was formerly a teacher and later identified with large real estate interests. Working a section where agency and business building is probably as difficult as any place on the North American continent, his agency since 1923 has won first place twice and second place twice in the annual dominion-wide competition for business.*

Not until one begins to make a survey of the field with a view of discovering some unexplored region, does one realize how extensively the ground has been covered.

The Duryeas have told us what to say; The Stevensons have told us how to say it; The Huebners have told us why we say it; The Cooks have told us where to say it, and The Rockwells and Speichers when to say it.

Audacious indeed would the amateur be who would venture into the forum without the "nihil obstat" of these professionals. Wiser by far is he who would confine himself to a circumscribed area of the field already opened and make, if he can, a more intensive cultivation of it.

### Too Much Loose Handling of Many Abstract Terms

The caption under which I shall group the ideas I would convey to you today involves a seeming contradiction. Sentiment is not usually associated with hard-headedness, rather is it not associated with soft-heartedness? The sense in which I shall use it in my discourse should, therefore, be made clear at the very outset. So much confusion has resulted from the loose handling of such abstract terms as "sentiment" and its correlatives and so much vagueness relative to the mind and its operations, I am going to ask you to follow me for a few minutes while I make a psychological dissection of that wonderful and intangible thing which reacts so sensitively to stimuli from without and in accordance with laws now fairly well defined.

### Four Things Involved in Consideration of Theme

The development of my theme, "Hard Headed Sentiment in Selling," involves the consideration of four things:

1. What is sentiment?
2. To what extent can it be hard-headed?
3. What are the psychological steps in the process of a sale?
4. What is the place of sentiment in that process?

My treatment of this subject assumes that the seller is familiar with the fundamentals of his business, is conversant with his company's plans, knows that a sale consists of certain logical steps and that his whole case should be presented in a language that is intelligible to the buyer.

### Term "Sentiment" Is Used in Two Different Senses

Sentiment will be hard-headed to the degree that the knowledge presented is in harmony with the end to be attained. A

man is said to be hard-headed who chooses the natural means at hand for the attainment of an end. In this sense, then, do I use the term "sentiment" when considering the means for the attainment of an end which can best be presented through sensory knowledge. When, however, we consider the means for the attainment of a more remote end which can best be presented through rational knowledge, I use the term "sentiment" in the sense of a desire created by conclusions reached through logical or clear-headed reasoning.

With this common understanding of our terms, we come now to fix the place of sentiment in a sale, which consists of three simple processes:

1. Bringing our prospect to a vivid realization of his need, whether it be immediate or remote.
2. Creating in him a strong desire for the satisfaction of that need.
3. Persuading him to accept our plan as the best means available for the attainment of that end.

### Three Requirements Involved in Sale

A sale involves three requirements on the part of the salesman: (1.) To know his man; (2.) to dispose his man; (3.) to move his man.

Dealing with the first, I would say that in a sense we know every man, whether or not we have any previous knowledge of his life or character. By virtue of the fact that he is a man he has in him certain fundamental instincts:

1. To do good and avoid evil.
2. To know the truth about his last end.
3. To preserve his life.
4. To live in association with his fellows.

### Instincts Independent of Man's Experience

These he has before he has actually opened his eyes upon the external world and these continue even after he has developed his highest faculty to the highest degree. These are independent of any experience or any condition which may have been developed by the action of his mental faculties and in the case of a cold canvass, it is well to choose one or more of these instincts as the basis of an appeal to the sensitive faculty.

If there is a favorable reaction you know at once that you are likely to get action more readily through a sense appeal. If your prospect remains indifferent to this sort of appeal, you will know that education, environment or heredity has wrought some change in your primitive man—that he has now a mind that easily embraces a universal good and that you are safe in making the rational appeal.

### Prospect Interested in Prolongation of Life

Taking that primal instinct, or what is often called the first law of nature, the tendency to preserve one's life, you are assured that this prospect of yours will be interested in securing or continuing those things which tend to the prolongation of that life and to the fuller enjoyment of it. The life insurance salesman is not a medicine man who by some trick of magic can rid his subject of his physical ills but he has something that will remove the uncertainties that worry and kill. Is he low in the scale of human experience—low in the scale of mental development, give him a sense picture of a specific case—one in which an acquaintance of yours or a friend of his so worried himself over the weight of his responsibilities as to impair his health and his efficiency, lose his position and die prematurely, leaving his family with the handicap of a poor education, a restricted social status and with limited means to provide for the necessities of life.

Or give a contrast picture of the man who, freed of worry, lived to provide amply for his own comforts and those of his family. "The Eyes Have It" or some such book of situations illustrations will supply you with pictures for this purpose. If your prospect is one whose experience has developed in him a wide conception of things, he will more likely be interested

in the story of how life insurance moneys have provided public utilities that have improved sanitary and living conditions to a degree that it has reduced the death rate and made for greater physical comforts and social betterment.

### Social Instinct Basis for Two Kinds of Appeal

In a similar way the other primal instinct which has made man a gregarious animal, the instinct by which he seeks the companionship of his fellows, furnishes us with the basis for either an emotional or rational appeal. It is upon this instinct that the family with all its associations is built. If home life for him has been normal he will be receptive to the emotional appeal. The sense pictures which you will present will have their counterpart in his own experience and he will readily absorb them. His memory will recall his own picture of home life and his imagination, with a little stimulation from you, will form new ones. Affection, an act of the appetitive faculty, will seek the realization of the object of the sense knowledge acquired through your sense pictures. If he has kept pace with the complex development of society and has accumulated needs by reason of that development, he will see the necessity for providing protection for the economic value of his assets—something a little removed but yet connected with his family needs—something which contemplates the universal good instead of the individual and more immediate need and will not readily react to the emotional appeal.

### Domestic and Business Insurance Cases Differ

When the problem involves the means to the end rather than the end itself, an act of reason is necessary which will carry with it an act of the will and bring a decision that will be more permanent than any decision reached through the emotions. In short, if domestic insurance is the need, present sense pictures. If business insurance be the need, present a well reasoned argument. If the rational appeal fails to get a decision favorable to your proposition, connect the universal good with the particular need in the here and now by establishing the ultimate end, as the continuance of the home with its comforts and its benefits. The picture of homes lost through lack of business precaution—the desolation on the faces of the family as the foreclosure is being executed will invariably prove effective where the rational appeal has failed.

### Reactant to Same Appeal Varies With Different Races

You don't find men, however, with fundamental instincts only. Every man has sensitive as well as rational faculties and the development of those faculties is determined by his experience, his education and his environment. A man's racial descent is, I think, a fair index to his temperament. Environment, more than any other influence, down the ages, has been the determinant of distinct types commonly referred to as "races". It follows, then, that the reaction of these various types to the same appeal might be quite different.

In shaping your emotional appeal you must bear in mind that in the case of the man of Irish descent, he is, in the main, improvident, but with a strong attachment to home and family ties. The Scotchman is frugal and independent. The clan system, however, has left its mark and "Sandy" will often sign for insurance rather than have it thought that "Duncan" is more progressive than he.

### German Thrifty, Values Possessions for Prestige

The German is thrifty and values possessions mainly for the power and prestige they give him in the community. The races from Central Europe, where serfdom prevailed for so many centuries, see in the possession and ownership of land the only real security to independence. He is actually more concerned in securing the ownership of the land than in providing comforts for his family. The Scandinavian is careful and conservatively progressive. His self-esteem per-

## Shaped Program



LEON GILBERT SIMON, New York  
Chairman Program Committee

haps more than family affection will motivate him to buy insurance. Unless you have something in common with the French Canadian you will find it hard to get his confidence. His tastes are simple and the necessity of being provident is not obvious to him.

### Objections Should Be Brought to Surface at Once

This brings us to the second step of our sale, whereby we dispose our man favorably to our proposition. It is the overcoming of prejudices which manifest themselves in the form of objections. There is an erroneous idea that the meeting of objections is the last step in the process of a sale. As a matter of fact, a skilfully conducted interview will bring to the surface at the beginning the more pronounced objections and dispose of them, leaving the mind more sympathetically disposed towards your proposition. In this work of eradicating prejudices, sentiment can play a big part. Examine any one of the dozen or more objections you encounter in your daily work and then the answers which have proved most effective.

1. If he "can't afford" it, you put over against it the greater expense of a major operation for his wife. A picture of his wife in the operating room will satisfactorily dispose of his expense argument.
2. "I have all I need" can be pretty successfully exploded by that umbrella picture which Mr. Mathus has given us in his new book. It is the \$1,000 umbrella in the \$50,000 storm.

### Answering Complaint as to Interest Rates

3. "Why should I contribute to the upkeep of an institution that is interested in maintaining interest rates at the highest possible level?" This is an objection which I encountered myself a few weeks ago. He reasoned that the high rate of interest was making it difficult for him to complete the payments on his land and secure title. It was the socialistic argument, and recognizing it, I knew that he could not be dislodged from such entrenchment by a reasoned discourse upon insurance investments. I painted a picture of his wife in overalls trying to handle his eight-horse outfit, presented the pitiable spectacle of his little 10-year-old son, with arms almost distended from their sockets, lugging mash to the hogs and his 8-year-old girl doing household duties far beyond her strength while he satisfied himself with a theoretical discussion on the efficacy of an institution that would have saved those dear ones all that hardship and all that drudgery.

Perhaps in no stage of the sale process does sentiment play a greater part than



# Keep Your Name and Business Before Your Clients 365 Days a Year

**C**ALENDARS are the most economical and effective form of advertising for life underwriters ever devised. Calendars are on the job 365 days a year keeping the life underwriter's name and business before his client's eye. The National Underwriter is publishing an attractive two color roto-gravure 16 x 9 inch calendar for 1931.

## Designed for Insurance Men

It is not just another calendar—it is a calendar designed especially for the life underwriter by insurance advertising specialists.

The National Underwriter calendar has 12 sheets, one for each month, making 12 distinct calendars for the price of one. Each monthly sheet has an appropriate and attractive illustration vividly demonstrating how life insurance can fill the needs of your client. Under each illustration is a pithy and potent argument for life insurance. In the center of the calendar, right in the focus of all eyes, your name and address are imprinted free.

## Large Visible Numerals

The calendar is especially practical—it has large numerals visible at a distance and each sheet carries the preceding and following months besides the current one. It is attractive and appropriate to hang anywhere—office, store or home.

A sample calendar will be sent you for 10 cents in stamps to cover postage. It is necessary to act immediately as all orders must be in by Oct. 15. Send the coupon today and get more information about the best business builder for you in 1931.

**IF YOU ARE AT TORONTO, ASK AT THE NATIONAL UNDERWRITER BOOTH AT CONVENTION HEADQUARTERS FOR FURTHER INFORMATION.**

# ARE YOU LOOKING FOR AN OPPORTUNITY?



Royal Union Life Building,  
Cor. 7th and Grand Ave.,  
Des Moines, Iowa

If you are not now under contract and are looking for a profitable and pleasant agency connection let us suggest that you

## BUILD YOUR OWN BUSINESS

under our general agency contract in any one of the following States:

IOWA	MISSISSIPPI
KANSAS	MISSOURI
OKLAHOMA	MONTANA
TEXAS	NORTH DAKOTA
OHIO	SOUTH DAKOTA
PENNSYLVANIA	

## Royal Union Life Insurance Company DES MOINES, IOWA

A. C. TUCKER, *President*

**Oct. 15, 1930 is the Deadline  
For Orders — Mail the Coupon  
Today — —**

The National Underwriter Co., **SEND 10c IN STAMPS FOR  
175 W Jackson Blvd., Chicago. COMPLETE SAMPLE CALENDAR**

Gentlemen:

Please send me complete information regarding The National Underwriter's 1931 calendar and how it will help me increase my 1931 premiums. I am enclosing 10 cents in stamps for a sample.

Name .....

Street Address .....

Town ..... State .....

*Openings in the following states:*

Alabama	Georgia
Florida	Michigan
Ohio	Tennessee
District of Columbia	West Virginia

## CAREER MEN

Life insurance needs men who desire to make a career of the life insurance business. Such men will find unusual opportunity in the agency contracts offered by this rapidly growing company. We will gladly furnish details of our program and its thorough period of training and development to any one interested in the business of life insurance or life agency management. Write direct to President I. A. Morrisett for complete information.

## THE GEM CITY LIFE

INSURANCE COMPANY OF DAYTON, OHIO

*The Rapidly Growing Company*

## One Hundred Leads Each Day

Each day an average of more than one hundred leads go out to the Fidelity field—good live leads on interested prospects. Millions of dollars of high grade business is being written directly from these leads.

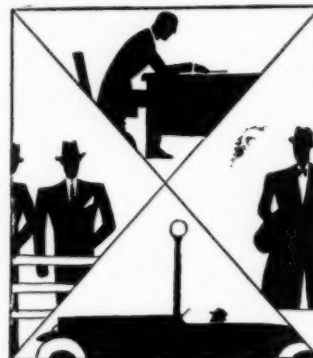
### Easier Selling

Fidelity lead service and Low Rate policies make selling easier. Fidelity operates in thirty-nine states, including New York, on a full level net premium basis with more than \$89,000,000 in assets and over \$415,000,000 insurance in force.

*Desirable franchises open for the right men seeking a wider and more profitable field of action.*

**THE FIDELITY MUTUAL LIFE  
INSURANCE COMPANY**  
PHILADELPHIA

WALTER LeMAR TALBOT, *President*



## Well Balanced!

Like the proverbial dew, this company covers everything.

Writing industrial . . . ordinary life . . . group . . . health and accident.

Operating from coast to coast . . . Canada to Mexico . . . Cuba to Hawaii.

*Valuable Territories  
Now Open.*

**AMERICAN NATIONAL**  
*Insurance Company*  
**GALVESTON, TEXAS**

## NOW TWENTY-SIX MORE CITIES

THE Home Life is now initiating the second step in its program of development. The first step was the strengthening of its organization in the large centers of population. That process is now well under way. In practically every large city there are today one or more vigorous agencies under competent direction, and making satisfactory progress.

We now enter the second phase of our program which is the intensive development of a group of twenty-six cities with populations ranging from fifty to three hundred thousand. These cities have been carefully selected with reference to location and future possibilities.

In our established agencies men are being steadily equipped with knowledge and developed to that point of personal and financial responsibility that will qualify them to head the agency development in those cities.

This move is but another step in a well thought out, long time program which is designed to secure a satisfactory development for this Company and the maximum opportunity for those associated with it.

*"A Company of Opportunity"*

**Home Life Insurance Company**  
256 Broadway, New York City

ETHELBERT IDE LOW, *Chairman of the Board.* JAMES A. FULTON, *President.*

*On agency matters address: H. W. MANNING, Supt. of Agencies*



in the third, namely in the stage where you seek to move your man to action. Recall the definition of a sale. You will now observe that instead of there being three processes there are really only two. The second one, namely the creating of a desire to satisfy the needs follows as a matter of course when the realization of that need is made sufficiently vivid. If you will set down, as Mr. Duryea has done in his splendid book on "What to Say," the various needs there are for domestic insurance, you will find that every one of them is based upon affection—one of the primary emotions, just as every one of the needs for business insurance is based upon prudence. For the reasons already set forth and which this chart will recall, the emotional appeal which is the presentation of sense pictures, will prove more effective in domestic insurance, just as the rational appeal will prove more effective in the selling of business insurance.

#### Insurance in Any Form is Primarily Protection

Insurance is primarily protection. In any of its forms it implies helplessness. Even in business insurance there is an implication of helplessness just as pronounced as in the simplest form of domestic insurance. The purpose of business insurance is to protect the interests of the owner against the rapacity of the creditors of that business. In every business there is always someone who would be helpless financially and whose interests would be jeopardized in the event of the premature death of the holder of any interest in that concern. Any presentation, then, which would prove effective should depict the helplessness of the ones to be protected. Sense pictures emphasizing this helplessness in its various forms will give a clearer knowledge of the need and will induce quicker action.

#### Pictures Presented of Two Actual Cases

**Case No. 1.**—It was 11 o'clock and I had reached the end of a canvass which seemed fruitless. The two little bare-footed children of the farmer I was canvassing had nodded off to sleep in the chair upon which they sat. Here was my opportunity—a sense picture ready-made. To add a single touch to it would have been fatal. So, rising from my chair and gathering up my papers as if I had accepted his negative decision as final, I endeavored, by my facial expression, as I glanced toward the sleeping children, to convey to him the feelings this picture of helplessness had aroused in me. The effect was marvellous. He himself was visibly moved. The whole picture, with its attendant reaction upon myself, was too much for him. He couldn't stand the silent indictment it implied. He pleaded guilty and asked for his sentence. It was a silent sale.

**Case No. 2.**—I encountered, on the road one day, a son of one of the old Mennonite colonists, returning from the elevator in his empty wagon. I had canvassed him before but without success. Just as I accosted him, a hound, which had come out from the farm house, seated itself upon the road and sent up a series of the most doleful sounds I had ever heard. "Listen! Listen to that!" he said, with bated breath. "That means someone is going to die. It's a sign that never fails." As if seized by the dread consequence of that sign I sprang into the wagon and in a voice equally tense and suppressed, I said, "Yes, yes, I wonder who it will be." I began at once to write the application. His imagination had already realized the death scene. There was no reason for further delay.

#### Don't Create Ridiculous or Grotesque Situations

Sense pictures, as stated before, must be in harmony with the end to be attained and be realistic representations of life situations. We must not degrade our business by creating ridiculous or grotesque situations merely to overawe or appal our client. Such methods may bring results but never those of an enduring nature. To picture a father in his coffin

and the children tip-toeing over to look in upon his ashen face, and to add other details until you have wife, husband and children all in tears, is burlesque. And it is degrading to our business. Every sense picture must be one representing some real experience of yours or of someone else or one which is not improbable. In other words, your illustrations must ring true, visual preferred. As about three-quarters of all the sensations which reach the brain are transmitted through the eye our sense pictures should be those that can be visualized by our client. To tell him that 18,176 persons were killed in auto accidents last year is not likely to perturb him very much.

#### Pictures Should Be Specific, Realistic

To show him a colored photo of a real accident showing the crushed and mangled body underneath the over-turned and damaged car, or to paint a word picture of a specific case in your own experience, you are far more likely to produce a favorable reaction. To be complete, such a picture should have its counterpart in a picture of the desolation and sorrow it has brought to the home and to the family left fatherless by the accident. I would like to see someone devise a set of pictures such as these showing the more common accidents which are occurring daily in every day life. These would be a great aid to some of us in whom the faculty of imagination may be weak and the powers of description low. Whether these representations be verbal or photographic, they should be fully clothed with all that makes for the realistic.

#### Cultivation of Imagination Offers Scope for Development

Where the pictures are not ready-made as in the cases cited, you will have to call upon your imagination and it is here that an active and well developed imagination will stand the salesman in good stead. It is here that lies the opportunity for greatest development.

To assist the salesman to visualize new and unusual situations such as confront the field man at every turn, the mind must have some content in the form of actual or borrowed experience for the imagination to work upon. Fiction of the higher standard should prove a valuable aid. There are none more stimulating, in my opinion, than the detective stories of Conan Doyle, or history as Gibbon and Macaulay presented it.

Nothing is quite so pitiable as an impoverished mind without any background in the way of mental content trying to supply artificial means in the form of tricks and devices, to secure a favorable decision in a sale. Nothing, on the other hand, is quite so masterful as the natural functioning of a mind stored with such a variety of content that it can supply what may be lacking in the mind of the buyer and secure the emotional reaction that follows from the apprehension of it.

#### Colorful Words and Apt Phrasing Needed

It isn't sufficient to store your mind with an abundance and variety of mental and sense pictures. You must have the capacity to present them in a clear, forceful and elegant manner. The flexibility of the English language is surprising and to get the effect it is just as necessary for us to vary our construction and choose our words in a sale as it is for the political debater on a public platform. Lloyd George subscribed to the unity of command which brought Marshal Foch into the supreme direction of all the Allied Forces, and desired to make formal declaration of his good will to the world, he didn't say that his country would fight through to the bitter end. No, nothing as prosaic as that. He visualized the comradeship that compact had sealed and he gave it to us in the imperishable words, "Whatever betide, in the long and tedious road that lies ahead, we will journey side by side."

What a wonderful salesman Clarence Darrow would have been. His defence in the celebrated Loeb-Leopold trial was, in my opinion, one of the greatest sales ever made. His aim was to sell to the court the

idea that his client, whose guilt had been proven, should not be given the death penalty. What did he do? He proceeded like an expert salesman. He observed every canon of salesmanship. His examination of the evidence was the rational presentation of his case, but to pierce the judicial exterior of that trained court it was necessary for him to align his guns upon the primal instincts of the judge, trained to resist every trick to influence through the sympathetic appeal. He offered another idea—life imprisonment—a penalty, in a sense, more to be dreaded even than public execution. How did he do it? If you would understand the place of sentiment in a sale, read and analyze that speech. He painted pictures in specific terms. With him a public execution was a ghastly sight of a strangled boy dangling from a rope. The doors of desolation and despair were the doors of Joliet prison which a life sentence would close forever on his clients.

#### Facial Expression Means Much to the Salesman

I think I have made it abundantly clear that emotions are acts of the sensitive appetitive faculty which produce an actual change in certain of the physical organs. It is this attendant change which manifests itself in the contraction or relaxation of the muscles with the consequent effects such as the flushing and the blanching of the face, the quickening and the slowing of the respiration and the pulse that enables us to determine the effectiveness of our emotional appeal. The knitting of the forehead, the contraction of the pupil of the eye, the curling of the lip, the distention of the nostril—all these mean something to the experienced salesman. Even one of these is sufficient to tell if the psychological moment for the close has arrived. Herein lies one of the greatest advantages of the emotional appeal. Your client is not only moved effectively by it but he betrays the nature of his mental acts. He delivers himself into your hands. If he speaks he manifests still more clearly by the quality of his voice the direction in which his mind is moving.

I would say to you men who would be leaders in this the greatest field of humanitarian endeavour, attune your minds and hearts to the best in thought and feeling which the world has to offer—let the forces of nature and the influences of her greatest reproducers play upon those God-given faculties that are yours until your intellect will present conclusions so convincingly and your imagination paint pictures so vividly that desire and decision will follow in swift succession.

## Must Train Men to Win Success

(Continued from page 8)

seed of success is not in you." We will ask, "Are you able to make contacts? If not, drop out, for you will never succeed." Then, if we are going to meet present day conditions, we must provide a type of training which will not only enable a man to get started on his selling career, but which will be continued until he is equipped to render a high-grade of insurance service.

#### Number Kept Busy Taking Care of Clients Will Increase

There is no reason at all why the underwriter shouldn't develop a clientele of his own like the professional man in any other line of work. Now and then we hear an underwriter say, "My clients and the people they send me give me about all the business I can take care of." These underwriters are rather few and far between today but their number will be far greater in the future. We all know that a clientele of this kind doesn't result from frequent visits of Lady Luck, but is built only on the basis of a thorough knowledge of how to use the tools which life insurance offers.

The coveted C.L.U. degree cannot fail, I think, to be an important factor in

developing the type of underwriter whose educational background fits him for professional service. The course of study, as directed by that great salesman and educator, Dr. S. S. Huebner, not only assures a knowledge of the fundamentals of life underwriting but gives him an insight into other fields. What someone has called the "insulated life"—a life marked by narrowness of knowledge and narrowness of understanding, never leads to success in any field and the life underwriter cannot hope to prove an exception to the rule.

#### Cochran on Familiar Soil

The anticipated visit of George I. Cochran, president Pacific Mutual, to Toronto during the convention will be surrounded by much sentiment. Mr. Cochran is a Canadian by birth. Last Sunday an oil painting of Bishop Cochran, father of the Pacific Mutual president, was unveiled in London, Ont. Bishop Cochran is said to have been the first Methodist missionary to Japan and he was the first minister of the Metropolitan Methodist Church in Toronto.

Mr. Cochran was unable to attend the unveiling but a sister, Mrs. C. I. D. Moore did attend. Mrs. Moore is the wife of Vice-President Moore of the Pacific Mutual.

Mr. Cochran will have many friends to see and many familiar scenes to visit here in addition to mingling with the thirty-five Pacific Mutual general agents who are in Toronto following the meeting of the general agency association meeting of their company Monday and Tuesday.

#### Women Well Represented

Nearly 75 women life underwriters attended the dinner given in their honor Wednesday night. The attendance of women at this meeting is probably the largest ever recorded.

## Busy at Meeting



J. J. McSweeney  
Chairman International Convention Committee

## Big Influence of Big Business

(Continued from page 7)

this gathering to the fact that much of the credit of the present method of handling group insurance is due to influences outside the offices of the insurance companies, and directly to the influences that emanate from the offices of big business houses?

Critical inquiry from big business of the life insurance companies as to their methods of operation and demands for the elimination of unnecessary accounting and bookkeeping in the effecting of protection to employees, coupled with the great readiness to meet these demands on the part of the insurance companies, has brought about a condition in the insurance world which probably is not as familiar to all underwriters as it should be. We find, as a matter of fact, that big business is today frequently acting as the agent, or as the claim adjuster, or as the branch office of the life insurance company. Big business is doing, in part at least, the type of work done by agents, by claim adjusters, by branch offices. The executives of big corporations are today appealing to their employees to take out life insurance. They are holding meetings of these employees, addressing them as to the wisdom of securing protection for their families. They are sending circular letters to their employees urging them to secure additional insurance. They are publishing articles in their house organs, listing claims paid and benefits accruing from life insurance. They are going further. They are following up the beneficiaries, instructing them as to the proper and wise use of benefits resulting from claims paid. They have created regular insurance departments where accounting and auditing are effected. Thus they become in some respects branch offices of the parent insurance company.

### Economies Are Passed on to Employees

Note, please, the economy thus effected, all to the advantage of the ultimate consumer—the insured. No salaries are paid by the insured for these services. The officials that do this work do it cheerfully. No rents are paid or chargeable. There are no traveling expenses—no renewal charges. All these economies are passed on by big business to the employees. Note still further, that big business through its management has not been content with providing simply life insurance benefits. It has gone much further. It has made it possible for the employees to have disability benefits. Programs have been built up today which provide protection against all kinds of sickness, all accidents, whether on the job or off the job; protection against unemployment, and protection against old age, through retirement plans or pension contracts.

Group health and accident benefits are today in force covering hundreds of thousands of lives, and providing weekly benefits which in the aggregate amount to well over \$17,000,000. That is to say, if all the people covered were to be sick at one time, there would be payable to them weekly \$17,000,000. These benefits are payable for varying lengths of time—sometimes a quarter of a year, sometimes for half a year, and occasionally for a year. In addition to this, the policies carry total and permanent disability benefits, of which millions of dollars have been paid to the living employees insured. These are benefits which the great majority of employees could not secure otherwise, and they are secured at a cost to the employee which is comparatively very little. The manner of payment of premium is automatic, systematic and painless.

Take again, the accidental death

benefits provided through group accidental death and dismemberment contracts in force. These benefits are in force today on more than 600,000 lives, and for amounts of insurance which in the aggregate exceed \$650,000,000. This too is insurance that is secured under terms which are so advantageous that the employees securing them scarcely realize they are paying for them.

Take again the matter of old age pensions. Big business today is buying from the life insurance companies annuities for pension purposes on a scale hitherto never approached. Annuities are thus being popularized. Thousands of people have for the first time in their lives become familiar with what an annuity is through becoming the owner of a certificate guaranteeing to them annual or monthly payments on the arrival of a certain age. What a field this may open up for the life underwriter in the sale of individual annuities!

But if we include with the story of group life insurance now aggregating approximately \$10,000,000,000, the very large percentage of health and accident insurance in force, and if we include all the group accidental death and dismemberment insurance, which represents a big percentage of all such insurance in force in America, and if we include all the group annuities in force, we have not by any means included all that big business has done for life insurance in America.

### Employees Urged to Buy Salary Allotment

We must not forget that there are many, many millions of dollars of salary allotment insurance, or payroll deduction insurance, in force largely because big business has chosen to urge its employees to take advantage of this modern method of purchasing, and of this easy method of payment through payroll deduction. It is understood, of course, that salary allotment insurance is nothing more or less than individual contracts of insurance paid for by employees of one corporation through the authorization of payroll deductions, and the remittance is made direct by the employers to the insurance company.

Nor need we stop with payroll deduction contracts. Big business has been responsible for the placing of millions of dollars of so-called corporation insurance and of partnership insurance. We can go one step further and credit big business with having so cleverly managed the capital and labor entrusted to it that it has provided such steady streams of payrolls throughout the towns and cities of these countries, week by week and month by month—payrolls of such a generous magnitude that they far surpassed the immediate requirements of labor and provided a splendid opportunity for the life insurance agent to make himself increasingly useful. He could not serve his fellow men nearly so well if it were not for these millions of dollars of payrolls that are being distributed weekly throughout these countries. Big business has in still another way been of great assistance to the life insurance companies. I refer particularly to the activities of the banks and trust companies in their more recent campaigns for publicity and advertising and direct solicitation of their customers, urging them to give thought to the placing of additional insurance or the creations of insurance trusts.

### Has Helped to Swell Amount in Force

Therefore, I think we may as well, as a body of underwriters, pay tribute this afternoon to the wise executives, to the far-sighted management of big business enterprises of our countries, for having helped the life insurance companies build up these huge figures of protection, which we as insurance representatives so fondly and effec-

tively use in presenting the merits of our business to our daily prospects. Let us remember that we would not have been able to refer to this \$100,000,000,000 of insurance at as early a date had it not been for the large wholesaling of insurance made possible through big business. Let us bear in mind that, while our insurance representative in his retail business has done a remarkable piece of work in placing more than \$80,000,000,000 of life insurance on the heads of families in America, that his work is made easier by virtue of the fact that big business has co-operated with him, is co-operating with him, and is wholesaling direct to the ultimate consumer, through the life insurance home office, billions more of protection.

### Inspires Confidence in Smaller Buyers

Let us remember that these spectacular figures of insurance contracts—sometimes running upwards of \$100,000,000 and \$200,000,000, make it easier for the individual representative to inspire confidence on the part of the prospect as to the wisdom of adding a few thousand dollars of insurance by way of more protection to his family. The confidence that the big and successful enterprises of our land have in the life insurance companies through turning over to them millions of dollars annually, must serve to stimulate confidence on the part of the individual citizen in a similar manner, and assure him that his few hundred dollars of annual premium is going in with money that is controlled and directed by the most able and successful business enterprises in the land.

When the daily papers carry stories announcing the fact that internationally known corporations have contracted with life companies for programs of insurance, which in single instances have sometimes exceeded the \$100,000,000 mark and in scores of cases have been above the \$10,000,000 mark, surely most favorable reactions on the part of the public must take place toward the life insurance companies and their product. Even the individuals carrying insurance running up into the \$100,000,000 mark and over must by contrasting their aggregate insurance with these large policies, be led to regard their own insurance as relatively small. It is doubtless fair to assume that many an individual has been prompted to increase his own personal insurance as he has come to contemplate these large figures of the individual group contracts.

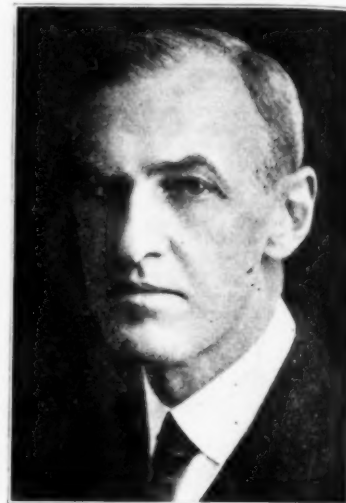
### Sales Influence of Work Among Employees

On thousands of bulletin boards in the factories and stores and offices of big corporations of these countries appear monthly lists of claims paid to fellow employees' dependents. In hundreds of house organs appear monthly stories of human interest, telling in detail of death claim benefits or health and accident benefits, or total and permanent disability benefits to fellow employees.

Meetings by the hundred have taken place all over these countries which have been addressed by the chief executives of the corporations urging the employees to take out insurance. The benefits of insurance have been stressed at these meetings—not by insurance agents, but by executive officers, by superintendents of departments, by foremen, by fellow leaders in industry. These talks have been so obviously not prompted by ulterior motives of personal gain, such as might be suspected on the part of agents similarly talking, that their influence is all the greater.

When individual employees who do not participate in these insurance programs are made to stand out as peculiar and different from the great mass of men and women in any organization taking out group insurance, surely a wholesome education or pressure is be-

## Group Expert



JAMES E. KAVANAGH  
Vice-President Metropolitan Life

ing exerted on those individuals. As a matter of fact, abundant proof exists that this pressure is felt because as renewed opportunities are offered for the taking out of the insurance, we find hundreds who had when first given the opportunity turned it down, later gladly accepted.

### Boards of Directors Hear the Arguments

When boards of directors sit in and listen to some fellow member of the board argue for the installation of group insurance programs or salary allotment programs involving the payment of premiums of thousands of dollars, or of tens of thousands, or of many millions of dollars annually by individual corporations, surely a wholesome and effective influence is being exerted on certain if not all the members of those boards, either prompting them to more highly appreciate their own personal insurance, or to place themselves in a more receptive attitude of mind toward the insurance representative who may next approach him for individual or corporation insurance.

Later on, these same individual members of their respective boards are frequently being given concrete illustrations of the value of insurance to the dependents, as they listen at the board meetings to letters of sincere appreciation that are written in by the beneficiaries of these insurance programs made possible through the previous favorable action of the board in installing group insurance programs.

### Makes Leaders More Ready Purchasers

Surely, these experiences on the part of the leaders of big business throughout the land make of them more ready purchasers of life insurance than ever before. There can be no question about it that when the big leaders of business of these countries become so much interested in life insurance, and so well informed as to its value, that they become representatives of the insurance companies, and the most effective because they have no direct possible benefit to secure from its sale; when the president of a big corporation sits down and writes a letter to the beneficiary of any deceased employee of his big corporation, and after expressing his sympathy, tries to make that loss less terrible by reminding the family of the love that its head had had for his family, as demonstrated by his unselfishness in providing, in part at least, for a continuance of his support to that family after he was gone, then that presi-



# Intelligent Progression

The Mutual Benefit was organized in 1845, and for eighty-five years has been administered by a succession of directors and officers whose conduct of its affairs has merited and received the confidence and approval of hundreds of thousands of policyholders.

Not only has the Mutual Benefit's history been marked by the fidelity, ability, and integrity of the officials who from time to time have been responsible for its financial management, but the Mutual Benefit has also been distinguished throughout its history for intelligent progression in the provisions of its contracts which, with unbroken adherence to sound actuarial principles, have made the Mutual Benefit a leader in life insurance underwriting.

As improvements in contracts have been developed, liberalizing their provisions, the new benefits have been uniformly extended to earlier outstanding contracts, in so far as possible, thus securing to the earliest policyholder the benefits enjoyed by the latest.



**THE MUTUAL BENEFIT  
LIFE INSURANCE  
COMPANY**

NEWARK . . . NEW JERSEY

# One of The Oldest of The Arts In A Modern Setting



Personal selling is one of the oldest of the Arts, but knowledge of the Principles on which it is based is one of the newest of the Sciences.

Improvement in the Art now waits upon a more widely distributed knowledge of the facts revealed by the Science.

Salesmanship was at first merely an incident to commerce. But today it is concerned with Ideas, a fact that has inevitably pushed the subject into the very forefront of creative fieldwork.

New sales methods are necessary to meet the pressure of an expanding competitive efficiency. The principles involved have become an important body of knowledge, which is of inexhaustible value in the task that confronts us all.

This task is to bring to a definite head the potential demands of larger, more exacting and better informed markets.

Hence, no more practical wisdom could have been shown by the Officers of the National Association of Life Underwriters than the choice they have made of the subject of this Annual Meeting.

Every Agent in the land who is alive to its importance to his own higher development will master its message and apply the information in his daily work.

*He will be rewarded with steadily  
increasing power!*

**New England Mutual Life  
Insurance Company**  
Boston, Mass.

*Chartered, 1835*

# The Life Profession

The Life Underwriter has rapidly taken his rightful place in the business world. He ranks high in his community and is a mighty bulwark against the three—who usually travel hand in hand—Poverty, Sickness and Death.

If you are interested in such a profession with a company which, through conservative, consistent growth, has gained an enviable place in Life Insurance circles, it will pay you to be friendly with the

## PEOPLES LIFE INSURANCE COMPANY

*"The Friendly Company"*

FRANKFORT . . . . . INDIANA

General agency openings in Ohio, Indiana, Iowa, Illinois, California, Michigan, Arkansas, Tennessee and Texas.

—Address the Company.—

### THE COLUMBIAN NATIONAL

is a Symbol of

Progressiveness

Strength

Liberality

The Best in Life, Accident and  
Health Insurance is our Specialty

### THE COLUMBIAN NATIONAL LIFE INSURANCE CO.

Boston, Massachusetts

Arthur E. Childs, President

Francis P. Sears                      William H. Brown  
First Vice Pres. and Comptroller      Second Vice Pres. and Secretary

For further information communicate with nearest GENERAL AGENT  
or our AGENCY DEPARTMENT, 77 Franklin St., Boston, Massachusetts

## VISUAL SELLING

*They see  
understand  
believe and buy*

THE VISUAL SALES BOOK SERVICE recently offered by The National Underwriter Company has been enthusiastically received by the life insurance fraternity.

The most typical comment from underwriters, when we show them this visual canvassing plan, is "That one picture is worth the whole price of the service to me!" But they don't all point to the same picture, chart, or diagram.

And that's the beauty of this plan. It's flexible. Of the eight sections (160 pages) you may carry in your handsome genuine leather binder just those which appeal to you—just what you want to use on your prospects in your way. You don't change your selling methods, or select your prospects to suit this plan; it changes to suit you.

Out of the remarkable collection of visualized life insurance sales appeals we have developed in years of pictorial publishing, we have selected the very best and combined them in a practical, usable form for canvassing purposes. Beautifully printed on heavy dull coated enamel paper, logically arranged, diligently edited to give you impressive, direct, motivating, eye-appealing demonstrations of the many uses and advantages of life insurance.

The originators of picture insurance selling, the publishers of THE ESTATE-O-GRAF, THE LIFE PICTORIAL and the INSURANCE PICTORIAL now offer life underwriters the VISUAL SALES BOOK SERVICE.

Will it help you sell? There is just one way to find out. Try it. If it doesn't you won't be out a cent. Get the service. Use it two weeks. If it hasn't paid for itself within that time, return it and get your money back.

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## Conducts Forum



JAMES ELTON BRAGG  
New York University

# How to Shake Man's Faith In His Investment Genius

Life underwriters were grateful to James Elton Bragg, of New York University, for presenting a convincing answer to the objection of the prospect, who claims he can invest his money to better advantage than the insurance company. Starting by congratulating this hypothetical prospect on his investment genius, Mr. Bragg presented a logical argument to shake the faith of the greatest financial wizard in his wizardry.

"A young lawyer in New York, quite a successful man, once said to me when I introduced myself as an insurance man: 'Mr. Bragg, I admire life insurance men and carry quite a line. As a matter of fact, I have measured the possible shrinkage in my estate and have bought insurance to cover it; therefore I think I can invest to better advantage. I have made 6 per cent on my money and never made a loss. You cannot pay me 6 per cent.

"Furthermore, I do not need the death benefit. I have some wealth of my own, my wife has some of her own, and our children will each inherit a trust fund from the four grandparents. I think we have more money than we can spend wisely, and I think you would be wasting your time and mine in discussing life insurance."

successful. I know you will become more successful, and that your time per hour value will become greater. Therefore, as your investments become larger and require more hours of your time, which will be more valuable than they are now, your six per cent net will be brought down, and in a very few years you will be glad to take four per cent on tax exempt securities and be relieved of the burden yourself. Do you think I am right? He said, 'Yes, I do.' I said: 'The fact that one has a genius for investment really means that he cannot exercise it for very long, because the results automatically cut themselves down. Now, I have an investment in mind—it is not life insurance as you think of it at all—which would pay you a return over a long period of years which would be nearly as good numerically as you get on tax exempt securities, and which in addition, by reason of its favorable position with respect to taxes, property distribution laws and the expenses thereby involved, and the fact that it needs no care, would perhaps be a better investment for you in the long run when you take into consideration the value of your services as a lawyer and your appreciation of a fine investment.

"This investment is, in fact, the buying of a share in hundreds of thousands of first mortgage securities. As a matter of fact, it means that you would buy a cross-section of an investment fabric extending horizontally across the United States and limited vertically by class. I know that if you like a few first mortgage investments in New York City, you would like a cross-section of a huge investment trust made up of the same kind of investments and handled with the same care that you would give to your own investments.

### Make Heirs Proud of Estate You Have Built

"Furthermore, although you do not need life insurance, I notice that you are giving a third of your life to making more money, and if I read you rightly it seems to me that you have a pride in creating for the members of your family something that you have builded with your own hands. Those investment funds of yours really are not more money for you but a monument to your genius—one of your ways of gaining the respect of your children as well as their affection. I do not think you want money, but you do want pride of achievement. You want your children to realize that their father was willing to do as much for them as their grandparents did. If that is your problem, the type of trust fund I am speaking of will appeal to you, because if you don't live to complete your plan of investing in those trust shares the investment will automatically complete itself, capitalize your future investments and earnings and eventually take hold of what you would have continued if you had lived to capitalize it. Do you think such an investment as that might interest you?"

### Wherein An Old Chestnut Appears on the Scene

By answering a more gloomy question, Mr. Bragg interjected some light comment in his presentation. "Do pall-bearers make good prospects?" was the famous life insurance "chestnut" which produced some amusement.

"I have it on the authority of the president of the Home Life of New York that they do," he said. "I heard him give a talk not long ago in which he related the experience of one of the men in his company in following up a published list of pall-bearers at fun-

erals. Quite aside from the funny part of it, it seems to me that anyone who by reason of some event in his own life is made to reflect in the midst of his busy day on the problem of what he might leave to his wife and children if he were called away is a prospect for life insurance. At all events, he is worth seeing."

"I have here another question that calls to mind something for which I am indebted to a member of this audience," Mr. Bragg proceeded. "The question is: 'Would you give me an effective sales plan for a young unmarried man?'"

"The best one that I know of has been published, though not widely. It was originated by Mr. Kee, of the Mutual Life in New Jersey, and I have taken the liberty of using it on several occasions, because he gave it to me. To my knowledge this has sold more life insurance to young men than any one plan that I know of.

"The approach is usually this: The salesman goes into an office and says to anyone whom he meets: 'I am looking for a young man who is interested in saving money.' If the person he meets is a young man, the interview begins; if he is an older man, invariably the answer is, 'What is it all about?' Then the salesman comes back and says, 'It is not for you. It is for a young man. Is there any young man in this organization who is interested in saving money?' Invariably the older man wants to hear the story anyway, and then the agent fits his story to him.

### "Are You a Saver of Money?" First Question

"The interview is something like this. 'Mr. Youngman, are you a saver of money? Do you put your money into the savings bank, or building loan societies, or invest it in good bonds and mortgages? What is your favorite form of investment?'"

"It doesn't matter what he says. If he says he doesn't save money, we say, 'Of course you do some day expect to accumulate the capital that you will need later on.' Then we say: 'In order to explain to you the type of investment which we have in mind today, one that you will appreciate because you are an experienced investor or have given thought to the subject, we are going to take a very nominal amount, say 50 cents a day; then if you like it you can get as many units as you want.

"Fifty cents a day is \$3.50 a week. If you were to save \$3.50 a week and put it in the savings bank and were to keep on making deposits for thirty years, at the end of that time you would have somewhere between \$5,000 and \$7,000, depending on the rate of interest you got. Of course you would have to make your deposit every week; but I know you would do it if you once made up your mind. Suppose you adopted such a plan and decided that when you reached age 60 you would like to do a little more serious fishing, or would like to go around the world, or have some extra money coming in; let us suppose that you have started to accumulate a little fortune of that kind and that you have gone on for about five years—with the interest you have about \$1,000 in the bank. Then let us suppose that you experience one of those catastrophes that sometimes comes to some young men; you become crippled or blind.

"I know that the hazard is remote, that the number of totally disabled is very few; but if such a thing were to happen what about your savings account? You would probably have to draw it out of the bank and use it for expenses, or if you left it in the bank or in some other investment you couldn't get more than 4 or 5 per cent on it, and you probably wouldn't save again until you had adjusted yourself to your new problem. There would be a period during which you would be adjusting yourself to a new way of making a living, so your dream of a

dent becomes the very best kind of exponent of the merits of life insurance. It not only acts on others, but it reacts favorably upon himself.

### May Operate More Closely in Future

When the presidents of large corporations embody in their annual report to their stockholders, the benefits that have come to the families of their employees through their group life insurance program, then there is sure to be an influence that is helpful to the insurance representative. Is it possible that the time may come when the business done by these indirect appointees of the insurance companies will exceed that done by the direct appointees—the field representatives? Is there not a possibility that the life agent may become more and more closely tied up with big business houses, operating through them and utilizing the existing machinery found in every large corporation? Will the banks and trust companies co-operate more than ever with the branch offices of the insurance companies in the placing of insurance? Will the banker become increasingly an insurance adviser? Will the public become more and more insurance-minded and undertake to purchase insurance rather than wait for solicitors?

When \$1,000,000 policyholders of one company are already trained to the needs of life insurance to such an extent that they walk in weekly and pay insurance premiums providing for another week's protection, is it not possible that the time will come when 2,000,000 people will do such a thing? Is it not possible that 10,000,000 people can be trained to do such a thing? They probably can if economic arguments are supplied—if discounts are allowed for this "cash and carry" method.

### Already One-sixth is Collected by Employers

Already the industrial debit of the largest life insurance company in the world has one-sixth of its entire premium paid for in the branch offices, and not collected by the agents weekly. Already the largest life insurance company in the land has one-sixth of all its outstanding insurance hand'ed, not by full-time agents, but by what might be regarded as a species of part-time agent—namely, the employer of labor, collecting and remitting premiums direct to the insurance company on upwards of \$3,000,000,000.

Surely, there is food for thought, and there may be room for action at once on the part of the insurance companies

in looking ahead to the future conduct of this business. The merchandising methods of our product are surely changing rapidly and it is possible that big business may, some day, become a very much more important agency force for the distribution of insurance contracts than that existing today.

May I, in conclusion, urge upon the life underwriters that they cultivate the acquaintance of the large employers of labor and seek to work out ways of co-operation with them, so that this great business of ours may avail itself of every economic advantage to the benefit of the public, and so that these extremely influential business men may become more than ever actively interested with the insurance agents in the spread of protection afforded by our respective companies.

## College Secretary



WILLIAM M. DUFF, Pittsburgh  
President Edward A. Woods Co.

nice little fortune would have to go up in smoke.

#### Pictures Consequences If Disability Occurs

"But, in the plan I want you to think about, something would happen. If you, by reason of disability, were unable to carry on to the financial standard, this plan would make your savings account complete, and would continue to make your deposits for you, and that fund would go on growing until the age of sixty, just as though you were making the deposits yourself, and at sixty, \$5,000 would come to you as though you had continued your deposits. In addition, this institution would pay you while disabled an income which would be equal to 12 per cent on what you intended to save, not on what you had saved.

"Contrast that with the usual investment. Under this special plan your savings would continue to grow, but while you were waiting for it to grow we would pay you 12 per cent. In addition to that, if you should attain the age of 60 and still be disabled, we would give you the \$5,000 and would still continue to pay 12 per cent of that amount so long as you were disabled. In other words, you would get your cake, you would eat it, and you would still have it.

"Contrast that with any other form of investment that you can get. You have a chance of buying a cross-section of the sweetest little trust there is if you continue to make your savings without meeting these contingencies. You will get the maximum of safety; you will buy your share of the type of investments that millionaires want. They want diversity, prime securities. You will have a security which has a guaranteed market value. It will have a collateral value for use in an emergency. It will build up a fund which will enable you to buy your way into business. Even if you don't use it, but go on to age 60, you will get back every dollar you put into it plus a reasonable return.

"But that is not all. I said it was a self-completing savings plan. If you should not live to carry it through to age 60, it will enable you to do the most gracious thing you ever did—to give to your mother in the same spirit in which you would send her a bouquet on her birthday, a tangible evidence of your appreciation of what she has done for you. It is selfish? Yes. But it will give her the only kind of comfort that can come to her. Don't you think that is a sweet investment for a young man?"

## Big Producers Tell of Closing Specific Cases

A notable feature of the million dollar round tables was the recital by the big producers present of the specific ways in which they had closed some cases that were decidedly out of the ordinary. Among the contributions to this symposium were:

**ROBERT A. BROWN**, Pacific Mutual, Los Angeles: I will tell you about one case that I had about three weeks ago. I called on a gentleman to whom I had sold \$50,000 insurance. He is an architect and he mentioned that he was working on a big deal, a \$5,000,000 deal. He said, "I will take out a policy if the deal goes through," and I said "Let the Pacific Mutual insure you for \$250,000, and you take the policy in your pocket when you go to have the interview with your prospect. You can tell him that you wanted him to know that in the event of your death you have this \$250,000 insurance, because he would not want to depend on the clerks in your office to finish the deal." He said: "That is not a bad idea; I will think it over." I said "Look here, Claude, you get examined and find out if you can get the insurance, and if so have the policy in your pocket, when you interview your prospect. If you get this deal, I will get mine. I will take a chance with you." And I went back to the office after he signed an application, and I said: "Do you think it is worth while to get this man examined, and have \$250,000 insurance issued, when we are not sure of getting the business?" So my office said: "You might get something out of it." I had the man examined that day, and a couple of days passed before the second medical examination.

#### Went After Man Who Got the Work

In the meantime the man called up and said: "I did not get my deal, so I do not want the insurance." I said: "I am sorry you did not get that deal. But I will be a good sport." I asked who got it, and he said, in a derogatory tone of voice: "He is a house architect." This house architect, by the way, had just built a \$200,000 home for E. L. Doheny, who was murdered by his valet. This \$5,000,000 building was to be put up by the owner of the Los Angeles "Times," and before the news item got out in the paper I went over to see this house architect and said to him: "You have got this deal. It is a wonderful thing, probably the biggest deal that was ever put over in Los Angeles. Why not show your man that you are the right kind of fellow and that you are going to protect every move you make? Why not take out \$500,000 insurance payable in the event of your death to the trust company, so that if you should die no clerk in your office will have to carry out your deal." He did not like the idea of taking out \$500,000, but he did take out \$100,000. I left instructions with my clerk to have the policy mailed to him, and I have also asked to have a \$250,000 optional policy made out. I think when I get back there I will be able to sell him the \$250,000 of insurance.

#### Raised the First Man to \$100,000

So I got \$100,000 of insurance from the house architect, and there is a possibility of more. I went back to my first friend, the man who had the \$50,000 policy, and I said: "Look here, why don't you take out another \$50,000 and have a total of \$100,000, so that when you get another deal you can tell your prospect that you are able to protect him all along the road?" He called in his secretary, and it was agreed that he ought to have \$50,000 additional. So altogether I got \$150,000 of insurance that I otherwise would not have had.

**PAUL F. CLARK**, Boston: We have just prepared a proposal for business in-

surance on a partnership which has more than a dozen partners. In setting up our ledger statement we put in a new column over on the right hand side, and at the top we put "End of term of life expectancy." Opposite each name we put the year in which the mortality table said the man would die. After that we interviewed several parties, and two of them told us that the most impressive thing in the proposition was this, that out of the dozen persons, whose ages ranged from 60 to 85, no matter how wide the variance was between the ages of the oldest and youngest, which in this case was 25 years, they all would die within a period of 11 years, according to the mortality table.

**M. J. DONNELLY**, Newcastle, Pa.: I can tell you of a case of a man who bought \$10,000 of insurance off me in 1916, the first year I embarked in business. This man was a superintendent of a factory and I got to know him and his seven children pretty well. I built him up to \$50,000, when the owners of the plant, not the men who were taking the active interest in the plant, died. There were three deaths within a period of nine months. One man was killed, and the other two met natural deaths.

#### Told Superintendent News of Option

There was an option given on that plant to outside interests for \$2,000,000. I heard of it and went to this fellow, and told him he would be a damn fool if he continued with this outfit any longer unless they gave him an option the same as they had to the outsiders. The option was news to him. He went to the widow of the man who owned the majority of the stock, and put his proposition up to her. She wanted to know where he could get \$2,000,000. He was somewhat crestfallen but he was full of fire and fight because he knew all the customers, and had worked up the business, and he said to her: "If you will give me a 90-day option I will get the money somewhere." He and I had three or four conferences with some of the larger banks here, but the directors wanted from 5 to 10 per cent commission for securing the money, but I went around to all the neighbouring small towns of 30,000, 40,000 or 50,000 population, and succeeded in raising \$400,000 for this man. When the widow learned of this she sent for him, because the date of the expiry option was getting near, and she agreed that if he could raise \$1,000,000 she would take a second mortgage on the plant for the balance.

#### Bankers Increased Loan on Strength of Insurance

Well, I cudgelled my brains and went back to several of the banks again. Out there they can lend only 10 per cent of the combined capital and surplus of a bank. I went to a bank in Butler and they gave me another \$50,000 I induced them to make an increased grant on the basis of their having his life insured. I went back to the plant and picked out a selected number of fellows who had worked there for years, and all these fellows mortgaged their homes for common stock. We raised \$1,000,000, with the result that in addition to the satisfaction of having done a good service for a man whom I wanted to help along, I got him to build his insurance up to \$641,000.

#### Life Insurance Basis of Great Fortune

Today that man is worth about \$5,000,000. His boy graduated from Yale last year, and he has two other boys at Georgetown. He is an outstanding fellow in our community and I take a lot of pride and satisfaction in having helped to bring that about. Life insurance played a prominent part in satis-

fying those banks that if this man died there would be enough money to discharge his liabilities. Incidentally, that concern is the Johnson Bronze Company of Newcastle, which makes the bronze parts for every automobile except the Ford. To climax the whole thing, about a year ago this man asked me if I would be a director in his company.

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**PEREZ HUFF**, New York: It may be of interest to mention a \$3,000,000 case that I wrote. It was very simple. A man had \$500,000 insurance for inheritance tax purposes, and nobody could write him for anything additional. I called on him and told him I understood that his name represented a value of \$3,000,000 to his corporation, that his signature on notes permitted his corporation to borrow \$3,000,000, and that if he should pass out of the picture there probably would not be anyone else in that corporation whose signature would be worth \$3,000,000. He saw the point and I wrote him for \$3,000,000.

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**HERBERT N. FELL**, New York: The family income contract issued first by the Continental American Life of Delaware is admirably adapted for business insurance. I was playing golf a week ago Saturday with a man I knew quite well, and he said that he had finally decided to have his life insured. He has a wife and three children, but had never taken out any life insurance.

#### Undecided Between Term and Ordinary Life

He said: "We cannot decide whether we should take term insurance or ordinary life." I asked him what the purpose was and he said it was to retire stock, about \$100,000. They have \$200,000 and each one wants to buy \$100,000 from the other in case of death. I said "I do not think you should take either plan. There is a reducing policy that is just out, and it contains a feature that is called negative reserve." As an advertising man, that struck him wonderfully—negative reserve. I then pointed out to him that I should be glad to go to his office and see him, and I was invited to do so. I presented the idea of \$200,000 insurance, being the amount that \$112,000 would produce. That is, on a ten-year contract on that plan, issuing \$56,000 would mean \$100,000 equivalent in cash in case of death the first year. That is, an annuity of \$56,000 would be \$560 a month, and that gives an annuity value of \$5,000 in case of death the first year.

#### Added Sinking Fund to Insurance Plan

They took to that, and they have no further thought about ordinary life or term insurance. Mr. Riehle mentioned what is called, in my policy, deferred and early. I said to this man: "You will have a sinking fund, of course?" He said he would, and I proposed that he set aside \$7,000 a year sinking fund. I said "If you do that you will have \$88,000, more or less. If you leave it to me you will have \$88,000 cash in ten years, and that added to the \$112,000 would mean \$200,000, and you may continue further than you would get on a ten-year term." The ages would be 49 and 57 then.

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**E. J. SISLEY**, Travelers, New York: I have been reminded of something that may be of interest. I had an \$800,000 loss that was due to suicide. My insurance, however, was ten years old, with the exception of \$200,000 that was to be converted in February. But the man died in January, which was tough on me.

\$500,000 of the insurance was payable to the corporation, and it saved the financial lives of a large number of stockholders, because Wall street had taken over the assets this man had, and what the corporation had.

\$300,000 was payable to the man's wife, and in connection with that there was drawn up an agreement that was



## New Secretary



LEE D. HEMINGWAY, Pittsburgh

almost the first trust insurance agreement.

That was made in 1922, and at that time I had to beg the Guaranty Trust Company to take it. When we think of the way these companies are hungry for our business now, it makes some of us smile who recollect their former attitude. However, it all shows what life insurance underwriters sometimes do.

Reference was made to a small man pyramiding his insurance. I have a concrete case which may interest you. In 1918, a young clerk whose salary was \$250 a month took out \$5,000. Every six months since 1918 that man bought additional insurance in fives and tens, till he had \$100,000 and two months ago I sold him a million dollars.

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SAM R. WEEMS, Minnesota Mutual, Dallas, Tex.: One evening about eight years ago I was going to my office around 6 o'clock. It was raining I noticed a fine big Cadillac, as I stepped up on the curb, with a flat tire. It seemed to me that a man who could drive that kind of car must have some money, so I stepped into the nearest drug store and called up the Automobile Club to inquire who owned the car. I found out his name and called him up and said: "I imagine you are getting ready to go home for dinner, but I want to tell you that there is a flat tire on your car."

I thought nothing more about it for a year. I was acquainted with his vice-president and had been playing golf with him, and about a year after this flat tire incident this vice-president called me up and said "Come on up. The boss wants to talk about some life insurance." The vice-president said that this man had asked him if he knew anything about me, and mentioned that he remembered about the time when I called up to inform him that he had a flat tire. I sold \$250,000 to the president, \$50,000 to one brother, and \$75,000 to another brother, and \$50,000 to the vice-president, and in a period of eight years I sold over a million and a half in consequence of that flat tire. Now, get your hammer and nails and find a good car and get busy.

## TRUST COMPANY LUNCHEON

Carrying out further the spirit of co-operation so strongly stressed at the million dollar round tables Thursday, a joint luncheon of trust company officials, who are at the meeting in large numbers, and life insurance men interested in trust matters was held Thursday, with a very large attendance.

## Review Estate Questions in "Millionaires" Session

When the million dollar round table got down to an exclusive consideration of questions relating to taxes, trusts, wills and similar matters, the first question taken up was:

"Do you give advice on taxes, trusts and wills?" A showing of hands indicated that more than half answered "Yes."

Another part of that question read: "Or do you employ an attorney for this purpose?"

"How many of you employ yourself on a consulting basis or are with an agency that employs an attorney that you can see at any time to secure advice on these matters?" Chairman Clinton Davidson asked. Let us see. A number of hands were raised.

On the balance of the question, "or do you refer these subjects to the prospects' own attorney?" Mr. Davidson asked further: "I wonder how many of you state with regard to tax matters, and things of that kind: 'This is my opinion, but I am not an attorney and before you act on it, I request that you take it up with your own attorney and get his opinion?'" A number of hands were raised. "In our own business," he said, "we submit written proposals, and we put that in every proposal, that the opinion and the suggestions should not be used until the prospect submits them to his own attorney."

HERBERT N. FELL: I have heard of one or two cases where a lawyer has been employed on a contingent fee basis. Is it ethical from an insurance standpoint to employ a lawyer on a contingent fee, that is, if you get the life insurance business the lawyer gets a fee?

MR. DAVIDSON: Isn't it true in most states that if an attorney or anyone else receives money only in the event that insurance is sold, that person must have a license?

MR. FELL: I have had attorneys advise me that they have a right to receive a contingent fee.

DELEGATE: Does that mean part of a commission?

MR. FELL: Yes, if he gets a contingent fee.

DELEGATE: Then he is in partnership with you, the same as if you went 50-50.

MR. FELL: No, but there is generally a certain fee.

CHAIRMAN: On a percentage basis, or a definite amount?

MR. FELL: Percentage.

CHAIRMAN: That would be a dangerous ground. You are not subject to rebating but isn't the attorney soliciting without a license?

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N. F. LOWNDES, Sydney, Australia: This suggestion may be of value: We have a form of letter which suits every particular type of legal question bound up with insurance, that is prepared by our legal supervisor, who is a master in equity in the courts of Australia. When an agent thinks he has a prospect who will be interested in a particular form of trust, or the creation of some asset outside his estate, then we send a form letter to that particular party. In that we very often get a man's interest, and the ice is broken for further negotiations with him.

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R. U. DARBY, Baltimore: I should like to ask whether when we suggest to a man that he consult his own attorney, we are not inviting some connection between that attorney and an outside competitor, thus opening up the field of competition.

MR. MANNING: I find that the

average man's own attorney does not know very much about trusts.

MR. DARBY: But he has a lot of life insurance friends.

C. V. ANDERSON, Cincinnati: In Ohio we have had a rather peculiar tax law which has been in effect since 1851. It was almost impossible to take out a life insurance trust without causing a lot of trouble, and New York got something over \$600,000 which we felt we should have—and we needed it—in Ohio. Consequently I jumped into the tax amendment fight, and I got a lot of information on tax law and how it affects a man's estate. In the last four or five years I have been able to write some very fine business on people who have been interested in conserving estates.

## Interest in Tax Situation Resulted in \$1,400,000 Case

The last case I had was \$1,400,000 that I wrote last year on the officers of a corporation, because they were vitally interested in the tax situation and had spent money to help put the tax amendment across. Two other men tried to butt into the case, and said that the amendment meant nothing, but the officers differed from them, and would not even listen to those men on questions of insurance. Because I have shown some interest in the affairs of my clients on the tax question, I was able to get this business without any competition at all.

## Must Know Something About Trusts and Wills

On the question of wills, I think a man who is in the insurance business must know something about trusts and wills, especially in view of the great agitation that is going on. As we all know, the will approach is a great thing. In Ohio, if a man makes a will and dies, or has a child at the time of his will and leaves all his property to his wife, and later on has several other children at the time of his death, the second and third children would take as though he had died intestate. I put that idea to a man whom I was unable to insure up to that time, and since then I have insured him for \$500,000. When you know the law about some of these things it causes your prospects to have confidence in you, for they realize that you know something besides insurance.

## Need to Create More Confidence in Prospects

The average man feels that a life insurance salesman is a peddler, somebody who is obnoxious, and whom he wants to throw out of the office. I think if more insurance men would take time to create confidence, to make their prospects realize that they know something more than insurance, they are going to write larger cases, and they will be able to do their work more easily. Further, the life insurance man who does this will be helping to lift this profession of ours above the level of peddling, and to put it on a good foundation where it belongs. It seems to me that we should learn all we can about taxes, trusts and wills.

MR. DAVIDSON: Mr. Anderson, I couldn't sell \$200,000 a year if I didn't do the very thing you are talking about.

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The next question was: Do you find the fact that life insurance is free from all death taxes, attorney's fees and administration costs, if the wife pays the premium, is an effective sales argument?

PEREZ HUFF, Travelers, New York: I will relate just one case. A new agent came to me and said: "Mr.

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President  
SPRINGFIELD, ILLINOIS

Huff, will you call on a certain banker who is only 35 years of age, married and has two children, who does not carry a dollar of life insurance, although he has plenty of money to pay for it?"

Eventually I was able to reach this man through his secretary, and I called on him. He did not want to talk life insurance, so when I met him I said: "I am very glad to meet you, because never before have I met a man with a wife and two children, and who was physically and financially able to carry insurance, who had not taken out some. What is the matter?"

"Well," he said, "why should I want any insurance? My wife is rich, I have everything in the world that I need, and furthermore, life insurance is taxable." I then asked him: "Has your wife a sufficient income to enable her to use from \$10,000 to \$20,000 of it?" He said: "Yes." Then I said: "There is no reason then why I could not fix up for you a contract that would not be taxable." He said: "That is not possible." I said: "Yes, it is possible. If I could do it, would you take out insurance?"

He then took me into his private office, and I told him that if his wife was financially able to pay the pre-

miums for a life insurance policy on his life she had a perfect right to insure him. He said: "Could I get a ruling on this, Mr. Huff?" I said: "Yes, if you like, but I would rather you didn't. How does it strike you if it is legally sound?" He called up his lawyer, and he called me back in five minutes, and I wrote him for \$500,000."

\* \* \*

MR. GRAY: In the case of the predecease of the beneficiary, confining ourselves to the law itself, where is the incidence of the tax?

MR. ANDERSON: As Mr. Myrick has pointed out, most policies written in New York are made payable to the wife without the right to change the beneficiary, if she is still living. Otherwise the proceeds go to the estate. If you have an absolute assignment, where you assign the cash value and everything to the wife, at her death her estate would be subject to inheritance tax. We had a case recently where a beneficiary died, and it was necessary to get the probate court to allow the proceeds to be taken out of the estate of the deceased beneficiary.

Some of the New York companies, prior to 1907, wrote policies absolutely payable to the beneficiary, cash value

and all. There are no doubt many policies that are payable to the beneficiary absolutely, and the cash value of the policy belongs to the beneficiary. Such a situation affords a good opportunity to approach a man of means, so that he may get that money out of his wife's estate if he thinks that is good business. Where the property belongs to the wife it is going to be subject to inheritance tax.

SAM R. WEEMS, Dallas, Tex.: How would you do it?

MR. ANDERSON: By assignment, or making a change of beneficiary. The question was brought up, I think, about passing it on to the children.

MR. WEEMS: Minor beneficiaries have to go to the court anyhow, and the proceeds have to be paid to the executors of the minors.

MR. ANDERSON: Suppose that five years from now there is some very definite reason for making a change, and you have minor beneficiaries, in Ohio it would be a lifelong job getting the probate court's order. I don't know what you would do in Texas.

\* \* \*

R. A. BROWN, Los Angeles: Maybe you can help me on a special case that I wrote. I approached a man that I

happened to know was very wealthy, and I asked him to divert \$50,000 a year out of his estate and to take a \$500,000 ten-year endowment on his son, who was 14 years of age. After negotiating for a long time I got the son examined Dec. 20 last. The 60 days were up Feb. 20. I had never seen the boy, and it turned out that he contracted catarrhal jaundice, so the case was postponed for six months, and I am now awaiting a report.

#### Will the \$500,000 Be Outside Father's Estate?

The question I want to ask is this: What is the position of the \$50,000 a year that is coming out of the father's estate and going into a \$500,000 policy, which is payable to a trust company where the money will be in trust in case of the death of the boy? If he lives out the ten-year period and the father lives to pay the premiums, will that \$500,000 be outside the father's estate and absolutely exempt from taxation? Does it merely constitute a gift?

SOME DELEGATES: Yes.

MR. BROWN: The trust papers are already drawn. I got the company to issue the policy, and I held on to the check. I was afraid if I ever let go of the check I wouldn't get him worked up to it again. If the boy is not insurable by Feb. 20 of next year we have agreed to give him 5 per cent.

What I am anxious to know is whether there is any point of law that would throw that money back into the father's estate, or whether it is in our possession. The son will never get it; the policies are assigned to a trust company for the benefit of the grandchildren and the daughter of the man who is paying the premiums. Is that out of his estate?

SOME DELEGATES: Absolutely.

MR. BROWN: The argument I put up to this man was that if he kept the \$500,000 for ten years at five per cent interest, it would build up his estate that much more. We save the son \$125,000 on his inheritance. I said to the man: "Is it worth your while saving that \$125,000 by giving the son part of your estate while you are living?" The trust company said it was the best way they had seen of avoiding taxes.

A DELEGATE: You have taken into consideration, of course, that the gift must be made two years before death.

MR. BROWN: Yes. In other words, he has to live two years after the maturity of the policy ten years hence, or he would be stuck.

MR. ANDERSON: Get the man to discount the payments.

MR. BROWN: That has received consideration from the trust company.

CHAIRMAN: Let me ask this question. Here is a man with a large estate, of say \$5,000,000 or \$8,000,000. Suppose he has \$1,000,000 of life insurance, or that you want him to have \$1,000,000 of life insurance; and suppose that in his case the taxes and fees and costs of administration, etc., would average 20 per cent, the expenses would be \$200,000. That means that if this million dollars consists of life insurance property instead of other property, on his death there will be a saving of \$200,000, and that \$200,000 will pay the premiums for quite a number of years. So, if he lives until the tenth year, and then dies, under our present laws that million dollars has not cost him a cent, as the saving to his estate, because it is made up of life insurance property, will have paid that money for ten years.

LAWRENCE THEBAUD: In regard to a will, I ran across a scheme that might be a good pointer for us. When a man says he has not a will and admits he wants one, then he has the stenographer of the man, in whose office he is visiting, called in, and he immediately dictates to that stenographer, "I hereby give and bequeath," and so on,



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a simple will in one paragraph, whereby everything is left to the man's wife, if living, and at her death to go to the children. It is a simple will with one standard clause that anybody can memorize.

#### Few Ever Get Around To Complete Wills

He has it signed and witnessed; then he takes it to the man's attorney and says: "Mr. Jones may never be in to see you, but here is his intention. He wants to make up a standard will. Something may happen between today and the time he gets around to have you complete his will." This lawyer has drawn about 70 wills since then. He told me the other day, before I left Buffalo, that of the 70 simple wills which had been drawn over a year with this thing in mind, only 14 have ever been completed. As to the others the man has not gone back to complete his will, and he has never completed his program.

#### Overflow Crowd at Revue

The revue Thursday evening proved to be the most popular event on the programme. There were so many applications for tickets, that a capacity house was assured early Thursday morning, and later applicants had to be turned down. Furthermore the strictest turnstile rules prevailed—no ticket, no admittance. Those who were turned away, however, enjoyed some recompense, for a number of the skits were restaged between intermissions on the dance floor later.

C. C. Clabaugh, general superintendent of agencies of the Maryland Life, was mingling with the convention attendants Thursday.

### Live Wire in East



LLOYD K. ALLEN

Lloyd K. Allen, of Boston, is one of the leaders in his local association and in all life insurance activities in New England and is regarded as one of the "comers" in National Association circles.

## "App" Each Call How It's Done

Crandall of New England Mutual Tells Secret of His Record

### USES MNEMONIC SYSTEM

Improved Names of Advisers Remind Producer of Essential Qualities of Salesmanship

By LOUIS M. CRANDALL  
Special Agent, New England Mutual Life, Norwich, Conn.

I have a sale to make and I am in a most expectant frame of mind just now, for I am sure that you will want this idea of "An Application Per Call, Yesterday Today and Tomorrow." I am in my ninth year of consecutive weekly production having written from one to thirty-five applications each week with an average during the past two years of thirty-five applications to each twenty-five calls. This has been accomplished through a simple, workable plan.

Among the many wonderful friends that I have there are six especially close to me in my advisory cabinet. These friends tell me, as they will gladly tell you, just what was necessary yesterday, and will be necessary today and tomorrow, in order to secure a fair amount of satisfaction in your chosen work.

The first member of this advisory cabinet is M. H. Pep. Mr. Pep reminds me, with the letters in his name, somewhat as follows: "M" is for man and mind, the heart of all salesmanship.

The "H" in M. H. Pep is to remind me that habits make men and habits break men. Why do men make the habits that break them? We should be careful in the selection and development of our habits.

The letters in Mr. Pep's name are to remind me that if one desires success he must do what other successful people of all time have done. "P" He must prepare for a purpose. "E" He must develop his enthusiasm. "P" He must persevere.

Man's success, yesterday, today and tomorrow depends upon "Pep" as outlined here.

When one falls short of his ideal of success it is usually because he lacks some of the things I have just mentioned.

#### Letters in "T. Lord" Give Many Hints for Selling

The name of the second member of my advisory cabinet is T. Lord. He tells me what to do in order that I may become thoroughly prepared for the work that I have in mind, and how to get enthusiasm, and how to become persistent. The first letter "T" is to constantly remind me that I must think, for thought, together with habit, controls our actions. The other letters in T. Lord's name are to remind me that I must, "L," learn to listen; "O," that I must be very observing of what is going on in the world today, and "R" that I must read everything I can get hold of in regard to my profession such as, books, magazines, and courses and that I must learn, "D," to discuss, in a friendly expectant way, everything that pertains to my business and that may be of interest to my clients.

The next member of my advisory cabinet is the man who tells me where to go so that I will always come home with an application. This man's advice has never failed me. His name is F. C. Ranch. The "F" reminds me that the man that I am to call upon must be a man in whom I have faith. A friendly sort of fellow whose confidence, "C," I must be able to win and hold. Where there is a lack of confidence there will never be any favorable action to what you have to say.

RANCH? these letters remind me that my prospect must have the reputation,

"R," that will enable him to secure what I have to sell. The "A" reminds me that he must be ambitious and in the right activity to be entitled to what I have to offer. The "N" is to keep me constantly reminded of the fact that he must need what I am offering. If he does not need it, it is down-right dishonest for me to try to sell it to him. The "C" reminds me that he must have the cash for the necessary deposits, or be able to get it. The "H" reminds me of the important factor, health.

If I say yes to each one of F. C. Ranch's questions, I take my application blanks and the doctor and make the calls and come back with from one to thirty-five applications. In one day, on eighteen calls (without a turn down) I wrote by the use of these ideas, thirty-five applications for \$93,000 of paid for and delivered business by taking my application blanks and the doctor with me.

#### Faith and Confidence Are Symbols on Ladder

To illustrate the rest of my points, I am going to use this ladder. One side of this ladder represents faith, and the other side represents confidence. Everything you say and do must strengthen the two sides of this ladder. You must have faith in yourself, your proposition and your prospect. You must win and hold the confidence of your client. If the sides of this ladder get weak you are going to fall. I place a plank across the bottom of the ladder to keep it from slipping. This plank is spiked down with three heavy spikes which I call pep. Preparation, enthusiasm, perseverance, these qualities will always keep the ladder in place. To climb this ladder you must keep in mind these steps if you want the climb to be easy and if you want to be sure of reaching the top.

The name of another member of my advisory cabinet who will guide you safely over the steps of this ladder is I. Aids. These letters tell me that I must take these steps one after the other in consecutive order if I want to succeed. Sometimes all of these steps can be completed in less than a minute, and sometimes it will take many hours to finish the climb. The first step is favorable introduction. The second step is favorable attention. The third is intense interest which leads to the fourth step, desire. The fifth step is action. This final action must result in the last step, satisfaction, for no sale is a sale unless the customer is satisfied.

#### Gives Five Reasons Why People Desire Things

Now when you come to the fourth step, desire, Wm. Cup, another member of my cabinet, will always tell you if your prospect desires this article and why. There are only five reasons why people desire anything. They will purchase, or desire the article through yielding to weakness, "W," or gain of money, "M," or yielding to caution, "C," or gain of utility, "U," or satisfaction of Pride, "P."

When you come to the fifth step, action, Mae C. Fips will tell you just what to do. She says that the letters in her name are to remind me that people act faster, instinctively, than they do when compelled to think things out.

If I wanted to make you hungry for a nice planked steak dinner, I would not start in by telling you how the cattle are raised, what the breeder and the packing houses do and how many calories or vitamins there are in each mouthful of the dinner being prepared for you. I would just keep still about all these food values and start broiling the steak and boiling the coffee and soon show you a wonderful dinner, and you would get hungry quick enough. Then, in our business, why talk too much about the billions that the home office has, or refer to other companies or other things that are not so interesting to the prospect.

Mae says that most all action comes from eight motivating instincts.

The "M" she says is for the instinct of mastership and manipulation. The "A" for the acquisitive instinct. The "E" is to remind me of the eating instinct. The middle letter of Miss Fips name is "C". When you are not making satisfactory

headway, if possible arouse a little curiosity in your proposition. Curiosity is one of Nature's powerful instincts.

The "F" is for the fighting instinct; the "I" for the inquisitive instinct; the "P" for the parental instinct; and the "S" for the sex or social instinct.

#### Shows How Principles Operate in Practice

A brief review of a few actual cases will let you see these principles in operation. In some cases you will note that I practically start to make the close before I call on my prospect; in some cases you will note the effectiveness of the indirect sales method; in some cases the prospect will be ready to fight when first interviewed. When you stop to think about it you would feel the same as he does if your information concerning the proposition you have to offer were as limited as his. Don't mind his being a little rough. When he has a better understanding of your mission he will be nice to you.

The first interview that comes to my mind is that of an invitation to a tea party, which I accepted. As I entered the room someone said, "The bets are on." When I inquired what was meant, they explained that they had bet one member of the party, that he would take a five thousand dollar policy with me within a week from the time he met me. If he purchased the policy within a week he was to buy a chicken chow mein dinner for the group of a dozen. If he should put the matter off for a week, they were to buy him a dinner. And as I shook hands with him he stated that he wasn't interested, but if he were he would buy it from a relative in the business, with whom he had been staying and to whom he had promised to take a policy. He finally stated that if he were to take insurance he wouldn't do it anyway until next fall. He also stated that his relative represented the same company that I did, and that whatever business he had would be placed with his relative.

#### Defers at First to the Arguments of Prospect

I shook hands with him, told him that I thought he ought to keep his word with his relative. As the price of the dinner would add considerably to his first year's premium I thought it would be a good investment for him to wait, that I felt sure that he had the courage and the backbone to do that. I then said let's not spoil this fine party with shop talk.

As the party broke up and as we were leaving I told him that I would send him some literature so that he would be in a position to make a business-like selection when he was ready to get his insurance. He said that would be all right and thanked me. I then explained that it should be based on his date of birth to be of real value and asked for that information. He gave it to me.

The next night I happened to be out riding with my medical examiner and dropped in with the information and explained that I thought it best to do this. As his age would change that night and the rate advance, and if he cared to have me do so, I would be glad to write the application for his relative, mail it for him and give him the credit of writing it. This seemed to please him, so I called the doctor. The application was written and placed in a stamped envelope ready to mail to the relative. It was not convenient for this young man to take care of the premium just then and as it was a small amount I took a bankable note for it, and enclosed my check.

#### Hints That Amount of Policy is Inadequate

I congratulated the young man and as I was leaving stopped to congratulate him again, saying that he ought to be congratulated four or five times, for a young man who can live on ten dollars a month income (the amount that the policy written for the relative would pay) was a real financier.

The prospect explained that he could not live on less than one hundred dollars a month. I cautioned him about being too ambitious and offered to write the other forty dollar a month coverage, which

seemed to please him. That night I mailed my application to the home office and telephoned to find out about the prospect's relative. It happened that I had learned that the relative was an agent for another company several hundred miles away and, when I explained this to the client and that I would send on and get one of this other company's application blanks, so as to place the insurance with that company and arrange for another medical examination, he said, "why not let it all go in together and I will get some from my relative in the fall." I told him that was fine. I congratulated him on taking this fine step in the right direction and told him when he was ready to take further steps I would be glad to be of service to him. On three occasions he has telephoned me that he was ready to take another step. In each case I have written another five thousand dollars contract for him, and he has brought several new clients to me.

The Thursday following the writing of the application, I invited him and the entire tea party to the Chinese restaurant for a dinner. I told him to try and get the check from the Chinaman if he could.

#### Sells Confirmed Hater of Life Insurance Men

It's quite easy to see the selling principles at work in this interview:

A policyholder called to make a deposit. She had with her a friend. After a few cheerful remarks I said, "This is something you will be interested in and something that you will want very much later on."

She said, "Not me, nor anyone in my family. We don't believe in life insurance. My grandparents and my father chase away anyone who comes to talk insurance at our house."

I said, "Oh! He will surely want to see me then." She said, "No" and I said, "Oh yes! He will, and I am going to call on him. She said, "You better not, he won't talk to a life insurance agent. He will chase you off the place and, you will get in trouble if you call." I asked, "When is his birthday?" She told me. And I said, "His age will change tomorrow so I must call today." She warned me again that I better stay away. I then inquired, "What time does your father get home?" She said, "Twenty minutes of four." I promised I would call at that time and explained to her that some day after her father had purchased the insurance she could tell him that she had sent me to see him, if she cared to; but, until he got his insurance, we would say nothing more about the conversation.

I called at twenty minutes of four that afternoon and at four o'clock he was in the doctor's office being examined for insurance for himself; his wife was examined the same evening, and the daughter the next day. The total amount of insurance written was \$7,000 and there is still another policy to be written as soon as a son is old enough to get his.

#### Credits Sale to Use of Reason and Sense

The only thing I did was to be reasonable and as nearly sensible as I could in the interview. I gave myself a favorable introduction, got as favorable attention and as intense interest as possible and held that until he desired the insurance and acted on his desire. This only required a careful explanation of the benefits of my contract and what it would mean to him, if he could get it. I told him that it might not be possible to get it for him because he looked to be a little overweight. I suggested that he let me try and see what I could do, with the result that the family that needed the insurance got it.

I picked a young man up on the way home to give him a lift—he was from out of town and on a visit. He inquired about my business and the consecutive weekly record and remarked, "I don't see how you do it—I wouldn't buy that stuff on a bet." I explained that he ought not to, then—that it would be wrong for anyone to purchase anything they felt that way about. I told him about a contract I was going to deliver that night and how it would work and how happy the family

would be with the comfort and shelter of this protection. "Not for me"—said he—and we parted. About the same thing happened a few weeks later and then one evening I received a telephone call from 65 miles away asking for the rate on \$10,000 of the kind of policy I had first mentioned to this young man. I explained that I was not sure I could get it for him but that I would try the following Saturday—I got it for him. We reap as we sow.

#### Tells How Case Was Closed and Bet Won

Another time I had a telephone call about like this:

Say "LM" will you come down here Tuesday afternoon (26 miles). An agent has just bet me he can sell me a policy while you stand and watch him do it—he says he can talk you deaf, dumb and blind."

"Why didn't you take his policy?" "Don't want it!" "How long has he been trying to sell you?" "Six months." "I'll be down."

The other agent did not show up. The prospect collected two \$5 bets, which reduced my premium deposit, and took his insurance with me. If he had taken the other policy it would have cost an additional \$10—the amount he would have on his bets.

The other agent lost the client's confidence when he made unwise remarks about me (the client's friend.)

A selling definition for our program for Yesterday, Today and Tomorrow, in my humble opinion should be: Salesmanship is wisdom in action that brings satisfaction.

I believe that I have in these ideas Aladdin's lamp. One of the remarkable things about the Aladdin lamp story is the fact that Aladdin was sold the idea to go down stairs and to cross two rooms to take an old lamp he would find there and bring it back into the world above ground. Aladdin did as he was told, he got the lamp and started back with it—he had an accident—while he was wondering what he would do, he accidentally rubbed the lamp. You see even in a fairy story it takes a little elbow grease—a little action—a little work—even with the wonderful lamp Aladdin had, before he could get anything and everything he wanted.

In this ladder you have the American's Aladdin's Lamp—Its worth to you "Yesterday, Today and Tomorrow," will depend on your thought and your action.

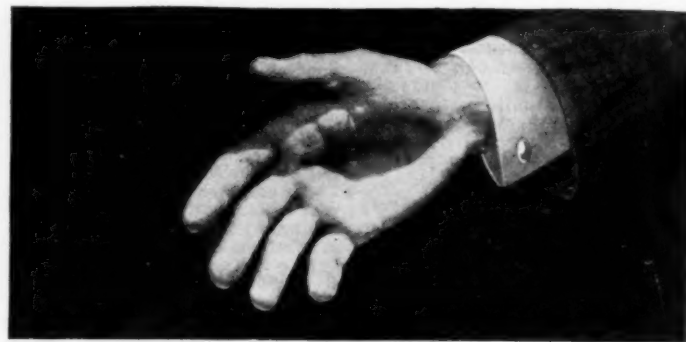
#### Bank of Italy is Still Serious Coast Problem

A report made at the executive committee meeting on the developments in connection with the life insurance activities of the Bank of Italy on the Pacific Coast, which came in for considerable comment at the meeting two years ago, showed that the menace to life underwriters in that section of the country has not been lessened in the least. Last year that bank and its affiliated organizations wrote \$11,500,000 of life insurance. Its production so far this year is ahead of last year and its goal for the year has been set at \$15,000,000.

Largely through the difficulties experienced in making desirable connections, as a result of the campaign made by the organized life underwriters on the coast, the Bank of Italy has purchased the Occidental Life of Los Angeles and is now placing the bulk of its business in that company, although its officials claim that they are still able to place business elsewhere.

Recently the Bank of Italy was merged with the Bank of America and will hereafter operate under the name of the latter. The merger gives it 600 branch banks, stretching all the way from Oregon to the Mexican border, and all having life insurance representation. Its representatives claim that it can give better service than the life companies and point to the fact that if a policyholder is pressed for money to pay his premium, the bank will carry it for him, as a bank loan.

# Jolly Good Health!



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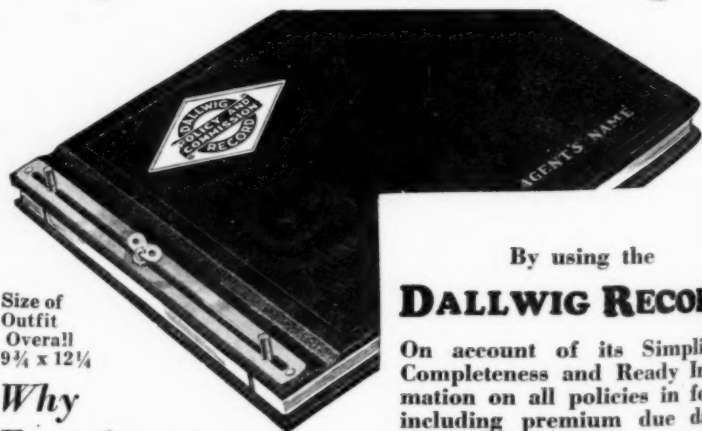
Underwriters will find it profitable to get in touch with me.

Francis Cashel Brown, 200 Broadway, New York

## Stop

"It dignifies your business"

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### DALLWIG RECORD!

On account of its Simplicity, Completeness and Ready Information on all policies in force, including premium due dates, record of policy, etc., many lapses are prevented.

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## Oklahoma Man New President

(Continued from first page)

impress on them the desirability of keeping up that insurance.

### Went to Oklahoma Just After the War

His appointment as general agent of the Massachusetts Mutual in Oklahoma had been decided upon before he left the army. He returned to Kentucky for a short time but took up his duties in Oklahoma City Sept. 1, 1919. At that time the production of the agency was about \$40,000 annually, with \$2,500,000 in force. In his 11 years' service, he has brought the production up to \$5,000,000, with about \$26,000,000 in force. The agency has shown an annual gain in production for the past three years of close to \$1,000,000.

He has long been active in both local and National association affairs, having served as president of the Oklahoma association, national executive committeeman and in other important capacities, as well as acting as vice-president of the National association for two years and as a trustee for two years. As vice-president he was called upon to preside at the Los Angeles convention on account of the illness of President Graham C. Wells. He is a million dollar personal producer, having qualified for the million dollar round table for three years, serving as its chairman last year and as a member of the committee in charge of the preparation of this year's program.

### Strong Official Staff Selected For Year

Mr. Lackey will have the assistance of a strong official staff. Elbert Storer, of Indianapolis, who becomes the ranking vice-president, has been a member of the National association executive committee for five years and has been especially prominent in organization activities in his home state, having served as president of the Indianapolis association, president of the Insurance Federation of Indiana and chairman of Indiana Insurance Day, and is now president of the General Agents Association of Indianapolis. Charles C. Thompson, of Seattle; C. Vivian Anderson, of Cincinnati; George L. Hunt, of Hartford, and Arthur S. Holman, of

San Francisco, selected for the other vice-presidencies, and Lee D. Hemingway, of Pittsburgh, the newly elected secretary, have all been prominent in local and sectional association activities, although none of them has held office in the National association heretofore. Robert L. Jones, of New York, re-elected treasurer, has long been one of the wheelhorses of the association, and has done particularly notable work in re-establishing the finances of the association since resuming the treasurer-ship two years ago.

The executive committee, in accordance with the custom generally followed in recent years, elected S. T. Whatley, retiring president, as its chairman.

President-elect Lackey announced the appointment of Paul F. Clark of Boston, John Hancock, Mutual Life, and John Newton Russell, Los Angeles, Pacific Mutual Life, as the new trustees. Mr. Clark is now a member of the board ex-officio as chairman of the executive committee. Mr. Whatley also remains on the board by reason of his election to that post.

Mr. Lackey expressed the hope that the investment side of life insurance might be stressed in the next program.

## Star Speakers Hold Crowd

(Continued from first page)

been foresighted enough to arrange to get tickets thronged to the revue, which was preceded by remarks by James V. Barry, fourth vice-president of the Metropolitan. A dance followed and the usual disproportion of "stags" at convention dances did not occur, because members of the Toronto association invited dozens of Toronto young women for the affair.

### Twisting Resolution Adopted by Convention

A rather strong resolution on twisting reported by the resolutions committee was adopted unanimously. It urged that the companies insert questions in their applications intended to check this practice and reduce lapsation, in order to protect existing policyholders and reduce the cost of their insurance. After referring to the service rendered by life insurance in times of financial crisis, the resolution urged that policy loans be not made except in cases of extreme emergency.

Memorial resolutions on the death of H. O. Wilhelm, fourth vice-president of the National Association, and John M. Mulford, executive committeeman from Cincinnati.

In connection with the addresses by Dean Huebner and President Clark of the American College, formal presentation of diplomas was made to members of this year's C. L. U. class who were present at the convention.

## Institutional Ad Plan Used

(Continued from page 6)

existing policyholders who are capable of further development.

5. Creation of a more receptive attitude on the part of the public towards life insurance salesmen.

6. Stimulation of the efforts of life insurance salesmen and co-ordination of their efforts along the most effective lines.

And in connection with the last statement, I think I should explain that our field men have not only been thoroughly informed of our co-operative efforts but that last year, in response to demand, the Life Underwriters' Association published a special booklet for their information and guidance contain-

ing reproductions of the most impressive life insurance service advertisements published over a period of three years, together with particular sales arguments based on the text of the specific advertisements. The success of this booklet was proved by the demand. The entire first edition was soon exhausted. A second edition has been issued and I am assured the demand keeps up.

I know of nothing that could so thoroughly demonstrate the value of our advertising as the continued interest of the sales forces who are most directly affected by it. We have attempted nothing sensational and after ten years it has ceased to be a novelty, so the enthusiastic support it continues to receive from so many of the biggest producers in this country must rest on merit.

We have been astonished that our campaign, which to us seemed so regrettably small, should have attracted the attention it has in countries outside Canada. We have had many enquiries from England, from several continental countries in Europe and from far away Australia. We were not so surprised that something should be known of our work by our friends and immediate neighbors lying south of the imaginary line which divides our two countries, particularly by those who live close to the border. We were not, however, prepared for the widespread interest which has been manifested in varied parts of the United States.

### Some Advertisements Used With Permission

We have been delighted to furnish copies of our campaign to numerous agent bodies which have requested them, with full permission to use what they might find useful in any co-operative publicity they might undertake. A number of state and city underwriters' associations have published our copy. For example, the Pittsburgh association, in conjunction with the insurance departments of four trust companies, have paid us a distinct tribute by selecting 22 of our advertisements exactly as they appear in our papers as the basis of a campaign. The underwriters of the District of Columbia are paying us a similar tribute in a campaign begun this month in a paper in Washington. We are gratified that we could render some assistance to these associations in the early stages of their co-operative effort. We look for a rich return in kind from both these organizations, as they develop their campaigns.

### Immediate Results Not To Be Attained

I am fully aware that this or any other form of advertising cannot appeal to the salesman or saleswoman as the best form that could be used. There are almost as many opinions as to the best media and best forms as there are active sales people interested in advertising at all. Most look for immediate results, which undoubtedly is "a consummation devoutly to be wished," but one which is unattainable through the medium of advertising alone in life insurance. Thousands of methods more or less direct have been tried, served their little day and given place to something new, but no scheme yet devised has effected any considerable amount of direct business in life insurance. The personal contact of the agent is still the deciding factor in producing results. There is nothing in sight to indicate the day when his occupation will be gone. In the meantime there are many forms of publicity he can adapt to his individual methods, but he need not expect that any will accomplish the miracle which will relieve him from making personal contacts.

The life insurance appeal is in direct conflict with the present desire and urge of each member of a modern family to acquire some or all of the luxuries which are offered in such profusion and on such easy terms. To a degree it is

in conflict with the urge to consume in order that production shall be kept up. Direct advertising can accomplish marvels when applied to the sale of things which minister to these modern demands for immediate gratification.

Life insurance implies caution, present economy to provide against remote contingencies something that can be delayed till present desires can be satisfied. It runs counter to present inclinations, so does not present a field for use of the type of message which can be very effective in selling many specialties.

### One Japanese Registrant

Kazue Shimokobe, secretary to the managing director of the Meiji Life, Tokyo, Japan, was an interested visitor at the convention, and expressed great pleasure at having this opportunity of mingling with both producers and company officials from all parts of the North American continent. Mr. Shimokobe expects to spend about a year studying particularly the investment side of the life insurance business in Canada and the United States. He stated that the most striking thing to him in his contact with company men so far was the spirit of co-operation displayed by the companies here.

### Northwestern Mutual Turnout

Three home office men from the Northwestern Mutual and more than twenty members of the company's field force gathered for breakfast Thursday morning. This is the largest turnout of out-of-town Northwestern Mutual agents and home office men at a National association convention. Dr. D. E. W. Wenstrand, assistant medical director, R. D. Chapman, and Nelson Phelps, assistant superintendents of agents, constituted the home office contingent.

### Whatley's Introductions

Conventioneers have been commenting on the fine style with which President Whatley delivered his introductions of speakers. Instead of eulogizing speakers with generalities, he presented a brief and dignified biography of the speaker together with his dollars and cents record in the life insurance business. This style was convincing and it gave those on the programme a splendid send off.

## From Antipodes



N. F. LOWNDES

The million dollar round tables had one member from Australia this year in the person of N. F. Lowndes, who is with the Mutual Life of Australia at Sydney. Mr. Lowndes took quite an active part in the discussions, telling of the methods followed in his country.

## Lone Star Ace



SAM F. WEEMS

Sam F. Weems, general agent of the Minnesota Mutual Life at Dallas, Tex., who has built up a big agency there for his company, as well as making an outstanding record in personal production, was very much in evidence at the million dollar round table sessions.

## Urges Tilling of Rural Soil

In Rush For Volume the Farm Producer Has Been Overlooked

VIEWS OF W. LYLE REID

Agency Managers Have Neglected to Study Psychology of Small Towns, He Says

By W. LYLE REID  
Manager, Ottawa Branch, Sun Life

Having spent thirty-six years in the insurance business—all of them in the service of one company—I am entitled to indulge in a retrospect. And being still in my early fifties, it is not tempting providence to anticipate the privilege of participating in the coming developments of which the past has been but the forerunner.

This timely remark is directed to the younger men who are being called upon to assume positions of responsibility. There is a wonderful heritage. Many of us would give a great deal to be able to turn back the hands of the clock. If life assurance is all that we claim for it—and it certainly is—the next fifty years are fraught with opportunities and possibilities that will surpass the most sanguine expectations of us present-day enthusiasts.

My contacts have been with a population partly urban and partly rural. Consequently I have witnessed the progress that has resulted from organized effort to bring the message of protection and saving to both classes. It has

been a happy experience and, as I sit here today dictating these notes, I would not exchange it for any other experience that might have been mine during these past thirty-six years.

In both the United States and Canada conspicuous success has attended this organized effort as applied to city folk. This is a matter for much encouragement and yet, even here, we are merely scratching the surface.

Gives Reasons for Poor Farm Business Record

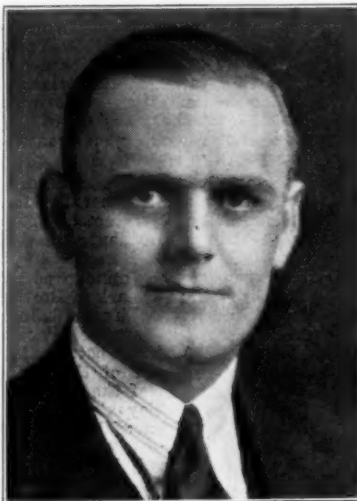
On the other hand speaking generally (because allowance must be made for outstanding illustrations to the contrary) moderate success only has characterized our work in the farming communities. What are the reasons? Here are some of them—others will occur to you:—

1. Inasmuch as the agent is and always will be the link between the supply and the need (which is another way of saying that life assurance is sold and not bought) we, as agency managers, haven't given the country producer his rightful place in the scheme of things. This is particularly true of these recent years with their rapidly mounting totals. Little wonder then that in many instances he has felt himself "small potatoes."

2. We have constituted volume instead of the number of lives insured the measuring rod of attainment. Forgetting Abraham Lincoln's dictum, "God must have loved the common people, he made so many of them," we have given our praise to the writer of the \$50,000 case. All honour to those who secure big business from the sifted few but double honour to him who brings in a steady and increasing number of small applications. He is fulfilling the primary mission for which life assurance was brought into being.

Let me illustrate what I mean. In a certain week not long ago one of our

## Convention Manager



ERIC V. CHOWN, Toronto  
Field Supervisor Canadian Association

city men turned in a case for \$125,000 on a prominent local executive. During that same week a rural agent travelled 1,200 miles to write twenty-five applications for a total of \$86,000. Each did a meritorious piece of work but I am sure you will agree with me that he who went up and down the concession roads was entitled to more appreciation than the other, even though our Bulletin figures may have shown him \$41,000 down on his urban brother.

City Man Educated at Expense of Farm Agent

3. Our methods of education and stimulation have been directed largely to improving the efficiency of the city man. This statement will be disputed. I may be wrong; at any rate I hope so. Again, however, I claim the right of one who can survey former years.

When I entered this business there was very little literature relating to the field side of life assurance. It is different today and how grateful we should be to that keen and high-minded group of well-trained men who are serving us in the capacity of educators and publishers; and also to those other men who, despite the exacting demands of their own organizations, are finding time to enrich their fellows out of their own experience.

The splendid list of books and pamphlets from the pen of our lamented friend, Edward A. Woods, are a striking evidence of this public-spiritedness. And yet a scrutiny of the works available for the rural underwriter and dealing specifically with his problems leaves something to be desired. I am not forgetting, of course, that some of these rural underwriters themselves are contributing valuable articles to the numerous and excellent insurance journals and services which have come into existence in these more recent years.

4. To some extent, at least, we agency managers have failed to recognize as fully as we should that there is a differentiation in modes of thought as between the farmer and the urban resident.

Incident of Clergyman and the Bucolic Mind

Several years ago I was endeavouring to persuade a village clergyman, who was leaving the ministry for reasons of a physical nature, to represent our company in his locality. He terminated the interview rather abruptly with the remark, "I have had too much to do already with the bucolic mind." That rather rare adjective has stuck in my own mind ever since. The ruralite is a distinct entity in our civilization. Visit

your country cousins and what do you hear as they come together for a social time? Doesn't the talk revolve around the matters of very local interest? Is a spirit of impatience it is sometimes referred to as "small town stuff."

Be that as it may, our problem is to establish points of enduring contact with them and that can't be done unless we are willing to apply a little of our highly-prized psychology to our relations with the people whose center of influence is the cross roads village.

5. In order to obtain the allotments set for us by our various home offices we have followed the line of least resistance and in doing so we have gone after business where it could be most easily obtained. This was a natural course to pursue but we mustn't lose sight of the fact that these allotments are being increased—not lessened—from year to year and therefore it behooves us to turn our attention to underdeveloped country territories because, while we cannot claim to have reached the place of saturation in so far as our city territories are concerned, the realization of our objectives is conditional upon the advantage we take of the opportunity that is ours to reduce the per capita disproportion between urban and rural production.

Shows the Disparity in Division of Business

I do not know whether my own experience can be taken as typical, but I am giving it to you for what it is worth. In 1929, 60.1% of our production came from the urban centers and 39.9% from rural communities. For the purpose of this analysis places of less than 5,000 are being regarded as rural. This distribution might be all right if it conformed to the division in our population but, as a matter of fact 39.5% of our population is in cities while 60.5% represents our country constituency.

In the past decade and a half life assurance has been coming into its own and you and I need offer no apology for the qualities of heart and mind which have thrown into this period of development. Nevertheless, it behooves us to take stock of ourselves inasmuch as the years of the immediate future will present us with problems for whose solution we should now be making preparation. One of these problems is the increasing dependence of continued expansion upon intensive cultivation.

## Coast Booster



H. A. BINDER

H. A. Binder, general agent of the Massachusetts Mutual in San Francisco, known all over the country for both his record as an insurance man and his unique publicity methods, made such a hit at the initial session of the million dollar round table that he was selected to give one of the "round table echoes" on the floor of the convention proper.



## Greetings!

To You—From Us

on the threshold of our  
35th Anniversary

Not the oldest — not the largest American company — but old enough to be solidly established and young enough to offer exceptional opportunity.

**Central Life Assurance Society**

(MUTUAL)

T. C. DENNY, President

DES MOINES

IOWA



# Session Lasted Until 5 o'Clock

## Million Dollar Round Table, Resumed in Afternoon, Refuses to Quit

### EXPERIENCES ARE TOLD

#### Questions Distributed by Clinton Davidson on Methods Hold Audience All Afternoon

The session of the million dollar round table, resumed at the luncheon table Wednesday and scheduled to last two hours, brought out so much of interest to the men who write the big checks that it was continued in session until nearly 5 o'clock. Several times the chairman asked those present whether they were ready to quit, but each time the vote was to go on.

The feature that evoked probably the most response from the floor was the series of questions distributed by Clinton Davidson, president of the Estate Planning Corporation, New York, who had charge of the section of the program devoted to "Estate Engineering." Mr. Davidson had one set of sales questions, several with sub-questions, and another of seven technical questions relating to the procedure to be followed in protection of big estates. Remarks of the various speakers were as follows:

**A. CLINTON DAVIDSON, New York:** I think most of you know that the first year that I spent as a full-time man in the life insurance business I paid for \$60,000, and it was 5 years before I got to \$200,000. I decided that if I was going to write larger business I would have to have the necessary machinery to help me do it.

#### Give Men Pocket Knives To Cut Down Timber

As I expressed it to a friend of mine, it seemed to me that the general agents were sending men out with pocket knives, which were all right for whittling shavings, and expecting them to cut down timber. If you send out a man with a hatchet you cannot expect him to bring back anything larger than kindling wood; if you want a tree you should give him an axe. That being so, it seemed to me that I would have to have a sawmill, so I started out to build up a sawmill and to acquire the machinery and equipment to bring back large business. And I am convinced that any man with average intelligence who is willing either to build himself or pay for the sawmill equipment can get the jumbo cases, as referred to this morning; and I think they are only starting, because it seems to me that only a small percentage of the men in the business are trying to get this sawmill equipment to handle these big cases.

In my case the sawmill equipment is what we call estate planning, and is not limited to life insurance. In planning estates of wealthy men we charge a fee, and we have many cases in which life insurance does not enter at all. There is one case on which we are working just now, which has not been finished, on which we receive a fee of \$5,000.

Last year we spent, for attorney's fees, in the Estate Planning Corporation, around \$15,000 to \$16,000. So that you can see that I am paying for this sawmill equipment. We do not use it merely to sell life insurance but also use it for other purposes, in planning the man's estate.

I would like to explain why these questions are put around. In New York we organized a little club of seventeen million-dollar men, all of

whom are million dollar producers, and all of whom also co-operate with trust companies and banks, and work along the line that Mr. Manning calls estate engineering or estate planning in securing their business. We thought if we could get these men together once a month, and simply exchange ideas, it would be of real value. So, when we started off, the chairman of the program committee came to me and said, "Whom do we want for speaker?" "Well," I said, "for myself I hope we do not have any speakers." And we worked out a series of questions.

We determined we would not let any man stand up and speak, because I have heard it said that there is not any man who can stand on his feet and tell the facts, but if you let him sit down he can tell the truth; but if you let him stand up, it sounds like these California fellows, not about insurance, but about California. So we decided that no man can stand up; and, secondly, that the questions would not be given out in advance; we did not want any man to have something prepared which he thought would sound nice, but we wanted him to tell what he actually did.

So, following one of these meetings, Earl Manning came in and we told him of this program, and he said he would like to have it done here. But, not knowing you fellows like the seventeen know one another, we decided to have some men primed to be the first ones to answer certain sets of questions.

#### Two Sets of Questions For Conference

We have two sets of questions, but I doubt whether we will get through one of them. The larger sheet is on sales questions, and the other one is on technical questions, such as tax questions and trust questions and those things. I will be glad myself to answer any question that anybody asks me to the best of my ability. I have no secrets, but on the other hand what I am anxious for is to get you men to tell your own experiences and what you actually do on these things.

I attended a conference of general agents at one time, when I was misled and was a general agent myself, and one general agent got up and told a wonderful story; and when he sat down, somebody said, "How long have you been doing that, Fred?" And he said, "Why, I am going to start it when I get back." We do not want that kind of answers. We do not want you to tell what you hope to do, or what you think may be a good idea, but we want you to tell us what you actually do.

#### Question D Changed Man From \$1,000,000 to \$5,000,000

Somebody said to me, "Don't you think these questions which you have here are very elementary?" "Well," I said, "I know some of them are most elementary, but I know there are some men who could make something wonderful out of them. I know that one numbered D was one thing which changed a man from producing about \$1,000,000 a year to about \$5,000,000 a year." It was one of the things which changed him from writing policies of \$5,000 to \$50,000 to writing policies of \$500,000 each.

I have asked Mack Donnelly of the Equitable, the gentleman whom you have heard from Pennsylvania, to tell you his ideas about question number 1. Then as soon as Mr. Donnelly sits down, I would like anyone who disagrees with him or who has a somewhat different idea to tell us what they think about it. Let us carry this thing through with some snap.

**MACK DONNELLY:** Mr. Chairman, any prospect who seems easy to sell, no matter how small, fits into the class we specialize on. I might add that they are everybody, from the ashman to the millionaire. I have been in the business 15 years and have paid for between 200 and 300 cases in a year, which never aggregates less than \$1,000,000 a year.

I have never paid for a million dollar case but I have paid for a half million dollar case. I do not mean to say that this business is easy egotistically but I sometimes wonder why we are paid commissions.

#### Send Birthday Cards to 60,000 People

I live in a town of 50,000 people, and I have 3,000 policyholders; I have 60,000 group policies; and I have the date of birth of even every group policyholder, and I send him a birthday card. That makes it so that at least 60,000 people know who I am. When I go to the office each day around 9 or 10 o'clock, depending upon how late the night before I worked, the first person I interview may be some person who objects to an undertaker's bill which some fellow has foisted on him and his family with only \$1,000 to pay for it. Then the next may be somebody looking for a job; and the next may be somebody just out of jail. That is all I see in the insurance business, combined with perspiration and persistency.

**THE CHAIRMAN:** One says that he selects as prospects anyone who is easy to sell. Then the next one is, only those prospects whose income exceeds a certain amount.

I remember one time I decided I was not going to get anywhere, and I went through the prospect cards and threw away about 75 per cent of them because I knew they could not buy the minimum insurance I wanted to sell.

#### Planning Definitely to Solicit Big Cases

Then there is the next one: Only those prospects which fit into the plan you use, or D. Do you definitely plan in advance to solicit a certain number of large cases during the year, for example: One case of \$1,000,000 or more; two cases of \$500,000; or six cases of \$100,000, etc.? Will somebody else answer one of those other sub-divisions?

**A DELEGATE:** Mr. Chairman, I have heard a lot of apple sauce about the business. The only test for a prospect is, has he got the money? If the man is well off and is a respectable citizen, he is the prospect for me.

**THE CHAIRMAN:** How much money?

**THE DELEGATE:** Plenty of money. The minimum I try to achieve is a man who can buy \$25,000 and up. In other words, has he got the money? Can he pass? Because nine out of ten will pass, on the average. A portion of the remaining one out of ten will get rated up insurance. About 5 per cent will be declined. You do not go after the bum ones anyway, and if they happen to be bad risks, I find you can sell them one of the deposit annuities which will find the bill.

The big test is, is he a man with money, if you want to handle big business, whether it is business insurance or personal insurance or what not.

**THE CHAIRMAN:** Mr. Lounds, one of our Australian visitors.

**MR. LOUNDS:** The system I use in Australia is one which works very well. It is a system of registration of prospects, which prevents any two men of the one company from canvassing the same person, and it allows the man to have complete charge of that prospect for a period of three months.

#### Choosing Specialists Works in Australia

When selecting agents, we try as far as possible to choose men who have some peculiar or particular knowledge of a particular profession or business; and they generally work among people of that profession; and we find they can build up a chain of prospects, from one solicited to another friend, and so on, and they get an intimate knowledge

## Contact Man



J. K. VOSHELL, Baltimore  
Chairman Chamber of Commerce Committee

of that particular profession or calling. Or one man might start on master plumbers, and he goes through the whole list in the city, and in that way he finds out who is doing the business and the people who are getting particular contracts, and he can discuss matters of interest with that particular type of individual or professional calling. In that way you will find some men are writing all doctors, others are writing chemists, and others other professions. Those men along their respective lines have given definite results.

**THE CHAIRMAN:** I would like to ask on this question how many of you really set an income limit or a capital limit on your prospects that you select to add to your lists? There is quite a number.

Now I would like to ask this next question. Those who are now doing it did not always do it. Did you find that after you did it it increased your total volume? Let us ask that first. All right. Now, did it bring up the size of your average case? Let us see the hands on that question. Thank you.

#### Prospect Must Have Income of \$100,000

For ourselves, we set our limit on the basis of income, with a minimum of \$100,000 a year. We do not list as a prospect, and we do not call on and we do not solicit anyone under that; and even when the information is brought in, and we have had it happen a good many times, such as a man's will, his trust agreements, copies of his tax returns and a few other statements, where the income was under \$100,000 a year we have simply returned it and told him it was not a case that we could work on. Of course we are not trying to do life insurance alone on that basis, but we have set a limit of \$100,000 a year, and we will not vary that at all.

We have some cases outside of New York in which we have set a limit and will not handle business under \$50,000 a year.

I hoped to bring up clause D and have it spoken to by one who is present at the meeting but not present in the room. He said some time ago that if he was going to get up and write million dollar cases he would have to get up a list of those persons; and because he was so busy with his past policyholders, etc., he would never get around with those cases unless he started at the first of the year and said, now, there are a certain number of prospects whom I must call on, who can afford to buy \$1,000,000. He wanted to sell one of \$1,000,000 or more that

year, and if he could not find them in his town he would go to another town where they were; and a certain number of \$500,000 and a certain number of \$100,000. By definitely planning to do that, he brought up his total volume enormously.

**EARL G. MANNING:** The first year I was in business I wrote 90 per cent of my business on men who were of exactly the same financial status that I was. The next year I determined to change that, and I wrote on men with not less than \$5,000 a year and I doubled my sales. Now, my minimum is \$10,000, and I do not canvass anybody under that, but I will not say that I do not take them, because I took a number of cases last year of \$10,000 and under. I think that is a fair limit for a moderate rate man like I am.

**JO BRIGHT, Buffalo:** Along the line of Mr. Manning's statement, he said when he started in the insurance business he started in a very lowly way; he was writing ones and twos; and a friend of his stopped him and said, Charlie, always bear this in mind, that a rich man's no and a poor man's no are the same thing, but there is a world of difference between a rich man's yes and a poor man's yes.

**A. R. FUREY, Pittsburgh:** Mr. Chairman, those men who limit their cases to possibly \$100,000 a year, many of my friends and acquaintances have incomes of less than \$10,000 a year, and I would feel very badly if they should die and leave their families destitute. I hope that I shall never set a minimum amount that I go after.

**S. T. WISEMAN, Boston:** You have asked for cases of men who have written \$1,000,000 in the past. Last year was the first year I was eligible to attend the million dollar round table, and I attended at Washington. I was impressed with the statement made there by somebody who stated he would not solicit anybody who would take out less than a \$10,000 policy.

#### Would Feel Badly to Leave Friend Uninsured

I have the same convictions as the last speaker about taking care of people in their problems. But I did make an effort to look after people who could take larger policies, with the result that I have increased my number of cases.

**WILLIAM POWELL:** I want to give this young man who sits next to me a little credit. He is not with our company. We were very glad to have him start up at our point. A man's prospects start small and build up larger and larger. Mr. Furey placed upon the books last year 100 lives. And I know the class of people he is doing business with. By placing 100 cases on the books, a certain number of those followed through will build up into large cases, and I look forward to Mr. Furey getting a lot of larger cases. A certain percentage of those 100 which he put on the books last year is going to make him large business.

**THE CHAIRMAN:** Nothing will please me better than to have differences of opinion on every question asked. That is where we bring out things which are of real value.

#### Two New Goals Suggested For "Millionaires"

Before I started, a gentleman who has been in charge of this meeting at one time in the past said he hoped this idea would be brought out, that every man here has achieved one goal that he set before himself, namely, to become a million dollar producer. Why not have every man present consider two other goals, one that he will sell at least one man a \$1,000,000 policy, and the

other that he will sell some man all the insurance that is available, that can be secured in the world, such as Ted Riehle suggested. I do not know how many of you see any harm in working toward those goals.

#### Question on Use of Introductions

Now, on question 2: Do you use introductions from others? If so, what kind do you prefer? Letters? Their cards? Your specially prepared cards? Telephone? Why?

I have asked two men to start off on this question. One is Fred Tornow, from Buffalo.

**FRED M. TORNOW, Buffalo:** Wherever it is possible, I try to get a personal introduction, getting a chance to meet the man face to face. But if that is not possible, I have specially prepared cards, as listed there in the question under C, which have on them: Introducing Fred M. Tornow. And then the man writes the prospect's name on top, and then at the bottom, "Talk to him, Joe, he is a good scout." I have him write those words and sign it.

**THE CHAIRMAN:** Why do you prefer your specially prepared card to a letter from him? You have some reason.

**MR. TORNOW:** I guess it is because it is easier to get.

**THE CHAIRMAN:** I will now call upon Joe Bright, and after that I would like everybody to join in.

**JOE BRIGHT:** I prefer an entirely different method. I have a client make a personal appointment with a friend for me for a definite date in such a way that it is left open for me to call him for a definite appointment.

#### Shows Friend Wants Them to Meet

I like that, for if a man will go out of his way to ask him to see you at a definite time, it shows him that his friend wants you and the prospect to meet. I have a friend in Buffalo who is a politician, and he tells me that whenever a politician wants to get rid of another man he writes him a letter on the subject. I have seen that so often, I am a little leary of it. I do not know how much that is done, but I am afraid it is done.

In the event that I cannot get this man to go out of his way, or if he is a procrastinator, as in one instance which I had where I called up the gentleman and said "Did my friend, so and so, say anything to you?" And he said no. I said I asked him to see you and he promised to do so. "Well," he said, "you know him as well as I do and he will promise you and do nothing." The next best thing is to get the telephone connection while your friend is by and get him to talk to his friend and say, I want you to see Joe Bright. He is a good fellow and I want you to talk with him.

#### Letter Is Better Than Nothing

A letter is better than nothing. A letter of introduction may mean what it says, or it may not.

The next is a card of introduction. I think that is a little too stereotyped; it does not bring out the individual. It looks like something you are trying to skip or an obligation likely fulfilled. Specially prepared cards come under that same head.

I do not like cold canvass work, but I have found out that if I want to get to a man whom I do not know, if I have no way of immediately getting in contact with him, if I write him a personal letter on my letter heading, that I will see him. I have only found one man I could not get in with, out of two or three hundred.

**THE CHAIRMAN:** Which do you prefer, if you get a letter or a card, to

have the man tell something about you and your qualifications, or in other words tell part of your story, or do you want a mere introduction and let you tell all your story when you get there? I would like some volunteers on that question.

**MR. CAMPBELL, Toronto:** It may be unusual for one to say that he would rather start out on a cold canvass and get business in that way than through friends. Nevertheless the delivery of a contract of insurance always presents an opportunity for a more or less endless chain from that man.

#### System of Getting Names Used Many Years

I have used for many years a method of presenting myself on each occasion, on delivering the policy. I have said to my client, "It is just possible that there is among your friends somebody who you think might like to know about this, with the distinct understanding that I would not use your name unless you allowed me, and with the distinct understanding that you think they might not buy this particular policy. Even although I do not get that name, this has never failed to break the first crust of ice. And go where you will, as long as they speak English this will get you in. Not attempting to appear as a magician, I have used it so many times that I know whereof I speak, and speak with certainty.

"Mr. Jones," or Mr. Brown, as the case may be "a few days ago I delivered to a friend of yours an income"—or an endowment, whatever you like—"and during the course of conversation your name was brought up, and this statement was made that he did not know what you had in the way of coverage, or did not know how you felt toward this, but he thought you would like to know about it." He will ask "Who was this friend of mine?" So I say "Well, now, I am not going to break a confidence, Mr. Jones." The chances are that within the next ten days or two weeks he will take it up with you personally and you are into the business immediately from then on. First of all he suspects somebody—I have never seen it fail. I have written business in San Francisco and have had great success with that method.

#### National Association Out of "Red" and Paying Bonus

The annual report of Treasurer Robert L. Jones showed that the National Association is now in the best condition in its history. Last year it got out of the "red" for the first time, and for the year ending June 30, the net profit was \$7,930, an increase of \$5,600 as compared with 1929 and a complete turn-over from the previous year, when the loss was \$7,857. Mr. Jones commented on the fact that he was first elected treasurer at the international convention in Toronto in 1922, and that his first task at that time was to sign a note for \$10,000.

The report showed cash in bank of \$56,638, an increase of \$19,000 over the previous year. Since the end of the convention year, a refund of \$5,933 has been made to 178 contributors to the guarantee fund raised two years ago to bring the association out of the hole financially. A year ago the budget committee agreed that Messrs. Hull, Hoffman and Jones of the headquarters staff should be paid a certain bonus, provided the operations for the year should exceed a stipulated figure. This figure was passed and a bonus of \$3,750 was divided among the three in proportion to their respective salaries.

Most of the funds of the association are now deposited in savings banks in New York, paying 4½ per cent compound interest. Mr. Jones said it had been suggested that it might be wise to put some of this money where it would draw a larger interest return.

Mr. Jones expressed the belief that security market has not yet offered any attraction for current investments and while it might be possible to get 5 per cent from a gilt-edged bond, the present arrangement was considered on the whole, the most satisfactory.

## "Wealthy" Man Left Wife Nothing Except Insurance

Sam R. Weems, general agent of Minnesota Mutual Life, at Dallas, Tex., told at the Million dollar round table about a case which illustrated particularly well the need of life insurance.

Another delegate stated that Mr. Weems takes a vacation of the months each year, but in spite of this he has a minimum of an "app." a week for the last 416 weeks, including the weeks when he was on vacation, as he has written 1,737 applications during that period.

Mr. Weems said:

"I just paid a claim about a month ago for \$210,000. The man had \$739,000 insurance. I knew there was something that he did not want to disclose, so I finally said to him: 'Well, I will tell you what I am going to do. I am going to make out \$100,000 on your life, applied for by your wife. She is going to pay the premium on this policy, because I do not know what is going to happen to your estate and you won't tell me.'

#### Family Regarded as One of Financial Stability

"I succeeded in getting her to apply for \$100,000, and he turned over to me sufficient securities to give her a sufficient return to pay the premium of the policy. The family was well known. They had a record of some 40 years of financial stability. Everybody in town thought: 'There is a family that has never had to want for money, and never will.' But not being able to get at the facts, I felt there should be some definite arrangement by which, regardless of what might happen, that man's wife would have some money in the future. Up in St. Paul I got a wire from an office telling me that my friend had died. The telegram that I received indicated that the man's estate was insolvent.

#### Policy for \$100,000 All Wife Had Left

"There is a big family holding some two or three millions of dollars in various kinds of investments, in grocery stores and that sort of thing, but it developed that the estate was insolvent, and the man was \$300,000 overdrawn on his own business. This \$100,000 that I had written for him on her application, on which she had paid the premiums, was all that his wife had left, after having lived on a scale of \$30,000 a year all her married life. I think that was a service that I rendered to these people, the nicest service that I have even done in any case."

#### Dinner for Local Officers

About 50 officers of state and local associations attended the dinner Wednesday night for members of that group. Roger B. Hull, managing director of the National Association, told of the plans for extension of service to local associations, including the manual of association practice, traveling, school and life insurance exhibit. James E. Bragg also spoke on the plans for the school.

James Victor Barry, of the Metropolitan Life, conventioneer extraordinary, who was scheduled as one of the speakers at the banquet Thursday night, was on hand early.